



The idea of exclusivity in luxury: is it real or created?

— A study on how to grow and remain exclusive

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Resumo

Título: *“A ideia da exclusividade no luxo: é real ou criada? – Um estudo sobre como crescer e permanecer exclusivo”*

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Nos últimos vinte anos, o poder de compra da classe média aumentou, a *internet* revolucionou totalmente as operações das empresas, e os líderes de mercado ocuparam os seis cantos do mundo, questionando assim um dos códigos fundamentais do luxo – a exclusividade. As marcas de luxo querem crescer e atingir níveis mais altos de rentabilidade, mas como mantêm o seu encanto baseado na exclusividade e raridade? O objetivo desta dissertação é entender como as marcas de luxo gerem a tensão entre o crescimento e a exclusividade, fonte de desejo e sonho.

Através de um caso de estudo comparativo, analisei quatro empresas: LVMH, o grupo de luxo líder, duas das mais icónicas marcas francesas, Christian Dior S.A. e Cartier, e uma marca espanhola com alto potencial de crescimento, Loewe. Entrevistas, ficheiros de empresas, artigos e outras fontes disponíveis, foram as principais fontes de dados.

Os meus resultados sugerem quatro mecanismos para gerir a tensão: I- Implementação de estratégias digitais e de retalho, II- Distinção dos consumidores em aspiracionais ou elitistas, para adaptar as estratégias de gestão da tensão a cada cliente. III- Manutenção de linhas de *design* coerentes e dos produtos icónicos para um crescimento constante. IV- Manutenção das estratégias de gestão da tensão ao nível das marcas e dos seus conglomerados. Adicionalmente a minha pesquisa acrescenta valor à literatura, através da ilustração dos mecanismos com estratégias específicas e exemplos correspondentes das marcas.

Palavras-chave: Luxo, Crescimento, Exclusividade, Desejo, Raridade, Elite.

Abstract

Title: *“The idea of exclusivity in luxury: is it real or created? – A study on how to grow and remain exclusive”*

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In the past twenty years, middle class purchase power increased, internet totally revolutionized companies' operations, and market leaders soon took over all six corners of the world, questioning one of luxury's core code - exclusivity. Luxury brands want to grow, and reach higher levels of profitability, but how do they keep their essence based on exclusivity and rarity? The purpose of this research is to understand how luxury brands can manage the tension between growth and exclusivity, source of desirability and dream.

Drawing on a comparative case-study, I analyzed four brands: LVMH, the luxury group leader, two of the most iconic and renown French brands Christian Dior S.A. and Cartier, and a Spanish brand with high growth potential, Loewe. Interviews, company files, website articles and other available sources, were the main sources of data.

My findings suggest four mechanisms to manage the tension: I- Implementing digital and retail strategies, II- Distinguish the different types of consumers to adapt and target tension management strategies, III- Keeping an iconic and design coherence for steady growth, IV- Keeping the management of the tension at the brand and conglomerate level. Additionally, my research adds value to the literature on the tension by illustrating the mechanisms with specific strategies and correspondent brands' examples.

Keywords: Luxury, Growth, Exclusivity, Desirability, Rarity, Elites.

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List of abbreviations:

CRM – Customer relationship management
CDM – Customer data-base management
RTW – Ready-to-Wear
HC – Haute-Couture
LVMH – Louis Vuitton Moët Hennessy
VIP – Very Important Client

Introduction

Luxury, once the ordinary of extraordinary people, has become the extraordinary of ordinary people too (Kapferer & Valette-Florence, 2018). While all definitions of luxury relate to some form of rarity and exclusivity (Kapferer & Valette-Florence, 2018) it is harder for brands to defend their exclusivity, as luxury becomes more accessible to the masses (Yeoman, 2010). Since growth is needed by any business, the increase in sales volume and brand penetration can also challenge the exclusivity and rarity of luxury brands. How is it possible to increase internet sales, expand to different markets, and maximizing profits while maintaining the allure of exclusivity (Radón, 2012)? The challenge of luxury growth is to sustain the brand dream, and the sense of rarity and exclusivity while increasing brand penetration, diffusing and growing popularity (Kapferer & Valette Florence, 2018). As result, there is a possible risk of desirability being diluted. Another growth challenge, is that supply should always be below demand (Kapferer, 2014). Luxury brands need to maintain a fragile balance between their high awareness and a controlled level of sales (Radón, 2012).

Higher theoretical consideration has been given to changes in the luxury industry, both from brand and consumer perspectives (Yeoman, 2010; Kapferer & Bastien, 2011; Kapferer & Valette-Florence, 2018). These changes influenced who buys luxury items, hence influencing the need for adaptation of luxury brands' strategies (Yeoman 2006; Atwal 2008). However, less attention has been given to the definition of concrete growth strategies that respect luxury's core code- exclusivity. Over the years empirical studies have developed frameworks explaining the factors that influence desire for luxury products (De Barnier el. Al, 2012; Dubois & Paternault, 1995; Kapferer & Valette-Florence, 2016), the importance of exclusivity and rarity in luxury brands (Kapferer & Bastien, 2011; Gierl & Huettl, 2010), and the effect of brand diffusion (Dubois & Paternault, 1995). Nonetheless, management strategies that uphold both growth and exclusivity in luxury brands, have not been provided yet with empirical insights. Thus, a noticeable gap exists on the literature of this issue. Therefore, I intend to answer the following research question:

"How do luxury brands manage the tension between growth and exclusivity?"

I intend to contribute to a better understanding of the strategies and mechanisms luxury brands should follow in order to be able to grow, while maintaining the desirability based on the sense of exclusivity and rarity.

In order to answer this question, I adopted a qualitative approach, and among the different qualitative methods, I chose to conduct a multiple case study. I selected Christian Dior S.A., Loewe, Cartier and LVMH. The four mechanisms suggested by the results include: “Implementing digital and retail strategies”, “Distinguish the different types of consumers to adapt tension strategies”, “Keeping an iconic and design coherence for steady growth”, and “Keeping the management of the tension at the brand and conglomerate level”.

This dissertation will be divided into six main chapters. The Literature Review will consist on a critical analysis of the main theoretical findings about the shifts in the luxury industry, the key factors to succeed in luxury, and the challenges of luxury growth. The second chapter details the process of data collection and analysis. The next chapter presents the companies under case study, followed by the Findings chapter. The final sections will be Discussion and Conclusion.

Literature Review

1. The luxury industry

1.1. The luxury market

According to Bain & Company's Worldwide Market Study (2019), the luxury market grew by 4% in 2019, representing a value of €1.3 trillion globally. The personal luxury goods category reached €281 billion, representing a yearly growth of 4%. The retail channel grew 11% in 2019, and the online sales raised 22%. The online sales in 2019 accounted for 12% of the market, being consumers increasingly influenced by digital channels, including in their physical purchases. On a global basis, 75% of luxury transactions were influenced by the online channel, and 20% to 25% of purchases were made digitally. Millennial consumers have been consuming luxury steadily. The 80's - mid 90's generation accounted for 35% of the luxury consumption in 2019, and by 2025 will represent 45% of the market. Generation Z consumers, born from 1995 to 2010, symbolize tomorrow's luxury market, representing by 2035 40% of the purchases. However, this generation does not behave like the others. They see themselves as critical actors in creativity and conversations with luxury brands, returning to products, stores and physical interactions in order to truly connect and engage emotionally. Seeking an ongoing conversation, Generation Z will force brands to be innovative in both their value propositions and business models. One of the themes that will define luxury's future is its diverse customer base. By 2025 the customer base will grow from two sources: (1) ultra-high-net-worth individuals, primarily based in the Americas and Asia, that look for "what money cannot buy", exhibiting snob effects (Snyder & Fromkin, 1980), (2) and a new base of emerging consumers, stemming from the growing Asian middle-class who look for "entry-to-luxury" products, innovative "mini" versions of core luxury products flourishing with stylistic content in their own right.

1.2. What luxury stands for, and its variability

The luxury concept changes dramatically across time and culture (Yeoman, 2010), but despite the ongoing discussions on its precise definition, the general concept of luxury is familiar and fairly clear, even if one person's luxury is not identical to another person's (Berry, 1994). Following the review of the existing luxury management literature, Nueno and Quelch (1998) propose a list of characteristics that luxury brands carry:

- I. An heritage of craftsmanship often steaming from the original designer, characterized by a consistent delivery of premium quality;
- II. A product portfolio that combines excellence and emotional appeal, with limited production run that ensures exclusivity, with possibility of generating customer waiting lists. Moreover, follows a recognizable style or design with the personality and values of the creator mirrored, that enables the savvy consumer to recognize the brand without seeing its brand label;
- III. A strong global reputation coming from an association to its country of origin;
- IV. A marketing program that is supported through limited and selected distribution;
- V. Premium pricing.

On an economic perspective, the authors present luxury brands as “those whose ratio of functionality to price is low, while the ratio of intangible and situational utility to price is high”.

1.3. The specificities of luxury conglomerates

Preiholt and Hagg (2006) state “(...) *conglomerates are not very sensitive about which brand the customer sticks to as long as it is one of their own brands*”. LVMH’s growth strategies aim group growth, without loss for the brands (Cavender & Kincade, 2014). Their brand portfolio strategy bases on the creation or maintenance of timeless, modern, fast growing, and highly profitable products (Wetlaufer, 2001). It is rare for a brand to be the four at the same time, nevertheless can happen, and in that case, the brand has successfully become a star (Wetlaufer, 2001) with products that “speak to the ages” but “feel intensely modern”.

Creative directors’ work, allows consumers to maintain their relationship with brands overtime, resulting on a willingness to pay premium prices (Wetlaufer, 2011). Hence, LVMH hires top celebrity designers to generate creativity for mass media coverage and customer stimulation (Donzé & Wubs, 2017).

LVMH preserves the know-how of craft techniques and raw-materials from previous generations and trains the new generations of craftsmen to achieve the same levels of quality and expertise (Donzé & Wubs, 2017). Marketing and advertisement campaigns in LVMH’s brand portfolio, highlight the quality of materials used, the traditional know-how that passes from generation to generation, and the quality of the craft process.

1.4. Key success factors to succeed in luxury

1.4.1 *Rarity: the essence of luxury*

Rarity and exclusivity are considered significant traits of luxury brands (Radón, 2012), as all definitions of luxury relate to some form of rarity and exclusivity (Kapferer & Valette-Florence, 2018). Okonkwo (2007), Nuño and Quelch (1998) models, identify limited production as a fundamental trait to maintain brand exclusivity. As rarity improves the allure for luxury brands (Hanna, 2004), the different types of rarity will be presented next.

Kapferer and Bastien (2011) present two forms of rarity: physical or virtual. The physical rarity can be found in (1) raw-materials, limiting the volume of production, (2) technical procedures (e.g. Cartier artisans' 10 years of training), (3) the product itself, enhancing the logic of self-limitation, and (4) distribution. Nowadays, luxury brands in the pressure of presenting results to its conglomerate, use virtual rarity to indulge the consumers with the sense of exclusivity and uniqueness. Virtual rarity relies in information rarity, e.g. using the word "rare" in labelling, or the selection of famous people who wears the products.

Lack of supply or excess of demand, defended by Gierl and Huetl (2010, p.230), are the two sources that can generate scarcity. However, *"If a product is used for conspicuous consumption, signals of scarcity due to limited supply are advantageous compared to signals of scarcity due to high demand"* (Gierl & Huetl, 2010, p.230). Kapferer and Bastien (2011) state that rarity can be managed just as much, customer relationship can be managed, meaning that poor sales values forecasted by scarcity, created rarity, or true physical rarity, are strategies to resist demand in order to master it.

1.4.2 *Desire: the first step of the purchasing process*

In the analysis of luxury perception scales, De Barnier et. Al (2012) noted one convergent dimension: elitism. Hence, luxury value is based on the perceived rarity and the feeling that not everyone can or should possess a luxury product or brand.

The pioneer study to address how brand penetration impacts luxury's brands desirability was realized by Dubois & Paternault (1995). From this study resulted the "Dream Equation" that focus on two levers of luxury desirability: brand awareness and brand penetration, i.e. the aggregate of individually declared purchases over the past two years. The equation confirmed that brand awareness creates value. However, this value creation needs to be managed and

increased over time, as constant brand awareness affects negatively the brand's dream value through increased brand penetration. Thus, in order to build the dream, the difference between the levels of brand awareness and brand penetration is of crucial importance.

Kapferer and Valette-Florence (2016) present a fourth-order modelization, identifying the levers and paths of luxury dream building. In contemporary luxury, having an emotionally intense product surely remains the cornerstone of brand building. However, as time goes by, it is also crucial to endow the brand with a high seductive symbolic capital that can be passed onto the customers themselves. The study showed that some luxury brands lack dream: they create selectivity based on tangibles and exclusivities – virtual or real. Considered the world's most valuable brand by Interbrand (2015), Louis Vuitton showed how a luxury brand could grow, abandoning the physical rarity, while being considered by the influential as leading in the luxury sector.

Some theoretical approaches are relevant when analyzing how differently consumers look to scarcity and exclusivity. For Brock (1968), the pertinence of the commodity theory is in how it addresses the psychological effects of scarcity: how rarity enhances the desirability of anything that can be possessed. Belk defends that the possession of scarce products creates value through feelings of personal distinctiveness and uniqueness, because possessions are an extension of the self (1988). Nevertheless, some consumers might want to stand out by not buying the same as everybody else, as suggested by the uniqueness theory (Fromkin, 1970; Snyder & Fromkin, 1980). Products purchased mainly for their symbolism demonstrate how the stronger the need for uniqueness, the more scarcity enhances value (Lynn, 1991). Oppositely, the bandwagon effect can occur in societies where the demand for a commodity is increased as result of others being also consuming the same commodity (Leibenstein, 1950, p.189).

To sum up, the higher the difficulty to access an item, either created by virtual or actual rarity, the more the product is desired by consumers (Kapferer & Bastien, 2011). Luxury brands need to know how to set the necessary obstacles, and keep updating them, to sustain and intensify desire (Kapferer and Bastien, 2011).

1.4.3. The 'one-to-one' relationship

As competitiveness is high, brands have an higher necessity to differentiate by adding emotional value to the brand through storytelling (Wetlaufer, 2001). By evoking the brand's history and heritage, makes it possible to create a myth (Kapferer & Bastien, 2011). The latter needs to be

consistent and coherent throughout the years, and across its product range, enabling its authenticity, spark and attraction (Kapferer & Bastien, 2011).

Luxury products are comprehended as sensory in its essence, meaning that human senses are regarded as compulsory in selling luxury goods (Dennis, et. al 2004). Hence, the ‘one-to-one’ relationship between sales assistant and customer is a vital part of the luxury service DNA, as explained by its strong human, purely relational dimension (Kapferer & Bastien, 2011). Retail should be the place where art is experienced, leaving luxury stores to be artistic architectural statements and locations for a four-dimensional experience, both inside and outside the store (Kapferer, 2014). A shift of growing need for meaningful experiences, pressured luxury companies to develop experiential marketing strategies (Atwal & Williams, 2009). These experiences need to pleurably fulfil the functional and symbolic needs of luxury consumers (Schmitt, 1999; Tsai, 2005). By focusing on maintaining its exclusivity, luxury brands create intense customer experiences at stores through brand interaction, in order to improve the whole store experience with personalization of services, architecture culturally adapted, and implementation of interactive initiatives (LVMH, 2012).

1.4.4. Different types of consumers, different motivations

Luxury consumers can either make their purchases for satisfying a personal need or for fulfilling their social self (Sirgy, 1982). Hence, luxury brands serve signaling functions (Sundie et al., 2011), attaching the product’s exclusivity and rarity to its customers. In line with the latter definition, in fast growing economies with a rising class of new rich who want to make strong social statements to signal their success (Han, et al., 2010), this function is particularly important. For example, Asians consider that wearing luxury goods is a necessity to maintain their face, their universal social visa (Kapferer, 2014).

As mentioned previously, economic and social factors in recent history (1990s-2012) have led to a beneficial environment for luxury consumption (Truong et al., 2009), observing a noteworthy increase in demand from aspirational consumers. Continued growth of aspirational customers is predicted by specialists, as emerging markets gain more relevance, wealthy and middle class consumers increase, and aspirational feelings among middle class consumers increase (Truong et al., 2009). These middle class consumers will buy products that meet their aspiration needs, being this phenomenon called the “luxurification of society”, and marketers in the luxury sector really need to redefine their strategies to reflect these changes (Yeoman, 2006; Atwal, 2008). However, a luxury brand that can only profit and grow from accessible

products sales, can no longer be considered luxury (Kapferer & Bastien, 2011). On the parallel, in order to maintain the elite loyal to the brand, luxury brands need to offer to these consumers the ability to distinguish themselves from the other types of clients, and exhibit their aptitude to appreciate aesthetically cultural work, to exalt the money they have (Kapferer, 2014).

Bernard Arnault (Wetlaufer, 2001) stated that only 15% of the business revenue comes from new products, the rest derives from classic proven products- the legacy pieces. When brands want to create design risky pieces, carry out high levels of communication and advertisements to increase awareness of the product, but will only produce several thousand units of it. The rest of the line will reflect some ideas of the core product, for e.g. the same shape, but use less risky patterns and fabrics, charging lower prices. In this way, the brand can be creative but minimize the risk.

1.4.5. The luxury digital print

Since luxury is for the others and for the individuals (Kapferer & Bastien, 2011), it is essential that the number of people who know the brand, is greater than the number of people who can afford to buy the brand. It is fundamental that brand awareness is spread beyond the target group of the luxury brand. Due to the high awareness levels beyond the target group, and symbolic nature luxury brands enjoy, extraordinary marketing options arise (Cavender & Kincade, 2014). Consistent communication of the brand concept, and social and cultural responsibility initiatives involvement, are essential for successful brand strategies (Heding et al., 2009). Okonkwo (2007) defines brand image as *“the interpretation of a brand in the mind of the consumer based on the way the brand projects itself”*, and brand identity as *“the very basis of the brand (e.g. name, country of origin, history, total offerings)”*.

Okonkwo (2009), presents six challenges of the internet:

- I. Change the corporate orientation from rigid to receptive of the digital technology and its effects on the brand;
- II. Separation from advertising and communication - advertisements are a one-way communication, and costumers look for a 360° engagement with brands;
- III. Set the brand's essence in its website;
- IV. Omnichannel and create a coherent path throughout all the brand touchpoints;
- V. The power and influence of consumers on brand image and reputation, along with the 'Consumer is king' mentality that enables consumers to influence brand's legitimacy;
- VI. Excel on 'how to sell' and 'what to sell' online.

Kapferer and Bastien (2011) state: *“If the use of the internet as a means of communication or advertising, is unproblematic, the same cannot be said for distribution”*, adding *“(…) always communicate via internet, never sell on the internet”*. Nevertheless, these statements are followed by an assertion of the internet opportunity to maintain conversations, after-sales relationships with clients, and present and reserve goods, with the purpose to make clients come to stores regularly to maintain a physical link with the brand. Indeed, one cannot deny the existence of a wealthy customer willing to buy online (Bialobos, 1991; Villacampa, 1995; Sharpe, A. et al. 2002). The reality is that luxury brands have successfully implemented online strategies and e-retail services, as they have acknowledged this channel as one of the rapident growing distribution channels (Okonkwo, U., 2007).

2. Generating higher profitability

2.1. The challenges of growth for luxury brands

As society becomes wealthier the luxury definition changes (Yeoman, 2010). Luxury is not anymore just for the extraordinary, it became also available for the ordinary (Kapferer, 2011). Since luxury becomes more accessible to the masses, it is harder for brands to defend its exclusivity (Yeoman, 2010). In the first decade of the century, the concept of luxury has transformed itself from materialism and elitism, to time and aspiration, becoming more democratized and reachable (Yeoman, 2010).

Bernard Arnault affirms (Wetlaufer, 2001) growth is a function of premium prices, move to new markets, and mainly a function of high desire. However, how can luxury brands maximize profits by increasing internet sales, and expand to new markets, while maintaining its allure and desirability (Radón, 2012)? The challenge of luxury growth is to maintain the sense of rarity and exclusivity, sustaining the dream and desire for the brand, while increasing sales volume, brand awareness and growing geographically (Kapferer & Valette-Florence, 2018). As result, the risk of desirability being diluted is high. Conversely exists a paradox: the higher the dream notion of a brand, the higher sales, hence, the lower the dream (Kapferer & Valette-Florence, 2018). So, in order to not be confused by the masses, brands have to have already created an inaccessibility that is source of desire (Kapferer and Bastien, 2011).

Another luxury growth challenge is that supply should always be below demand (Kapferer, 2014), yet brands want to grow and increase sales. However, meeting demand would mean the banalization of the brand, loss of its dream and exclusivity – the preconditions for price

premium charge (Thomas, 2008). Hence, a delicate balance between high awareness and the level of sales needs to be maintained (Radón, 2012).

2.2 Strategies to manage the tension between growth and exclusivity

There have been few empirical studies that sought to identify and deepen the knowledge on strategies and processes to manage the tension between exclusivity and growth. Many have identified the tension (Radón, 2012; Kapferer & Valette-Florence, 2018; Kapferer, 2014). In the past ten years, internet has gain an unpredictable power and relevance in the market (Yeoman, 2010; Okonkwo, 2009), luxury became accessible to lower societal groups (Okonkwo, 2009;), and internationalizations and brand expansions increased (Kapferer, 2012; Nueno & Quelch 1998). Hence, a binding adaptation of luxury brands strategies had to be made (Yeoman, 2006; Atwal, 2008). Fionda and Moore (2008) state that advertisement, endorsement, controlled distribution, price, and limited edition lines, are the factors necessary to sustain exclusivity. On the same note, Preiholt and Hagg's (2006) solution to solve the tension is to have high number of different products, so that the total volume of sales is high, and the sales volume of each product is minor. To increase the total volume of sales, the launch of new products needs to be timely strategic. Radón (2012) suggests the way to keep creating desire is to partly create exclusivity by incite desire within many, and at the same time raise barriers of entry so that only some can buy. Higher attention has been given to factors that influenced the creation of the tension. Namely, the luxury industry changes on the consumer and brands perspectives (Yeoman, 2010; Kapferer & Bastien, 2011; Kapferer & Valette-Florence, 2018), the factors that influence the motivations and desire for luxury products (De Barnier et. al, 2012; Dubois & Paternault, 1995; Kapferer & Valette-Florence, 2016), the importance of exclusivity and rarity in luxury products and services (Kapferer & Bastien, 2011; Gierl & Huettl, 2010; Okonkwo, 2007; Nueno & Quelch, 1998), and the effect of internationalization and brand penetration (Dubois & Paternault, 1995). However, as stated previously little studies have actually addressed strategies to manage the tension (Fiona & Moore, 2018; Preiholt & Hagg, 2006; Radón, 2012). All in all, a visible gap on the literature of this issue, plus an outdated and poor literature on the strategies for tension management, let me conclude there is a gap on this issue. This gap prompted the creation of this dissertation, with an objective to answer “How do luxury brands manage the tension between growth and exclusivity?”, by outlining the strategies and correspondent examples of tension management.

Methodology

Research Design

I adopted a qualitative approach as my objective was to study human complex matters (Rego, et al., 2018). As the present dissertation intends to provide detailed examples of strategies that manage the growth-exclusivity tension, a qualitative approach seemed the right method for a comprehensive description and understanding of strategies that involve actual human interactions, meanings and processes that comprise real-life organizational settings (Denzin & Lincoln, 1994).

I chose to conduct a multiple case study and identified several companies: Christian Dior S.A., Loewe, Cartier and LVMH. Christian Dior and Loewe are both owned by LVMH. The luxury conglomerate was added due to its weight and relevance on the brands' strategies of tension management. On the other parallel, Cartier is owned by the Richemont Group, and in 2019 had a noteworthy performance, with sales growth in all regions except Japanⁱ. Each company represents successful examples of tension management, due to their high recognition, growing revenues, and strength within the luxury market. LVMH is the world leader in luxury products. According to Forbes (2020)ⁱⁱ, LVMH occupies the 73rd place with a \$194.3 billion market value, and a portfolio of assets worth \$108.3 billion. Under LVMH's helm, *"Loewe has been delivering strong growth under the impetus of its new designer"*, and *"Christian Dior had a remarkable year (...) with its continued growth much faster than the market"*ⁱⁱⁱ (2019).

Data Collection

I collected both primary and secondary data sources, including: 1) semi-structured interviews with experienced managers, 2) archival data, 3) media articles, press releases and company websites. The data collected enabled me to do a triangulation of data, by drawing data from different sources and people, capturing different dimensions of the same phenomenon.

The primary data collection process comprised individual in-depth interviews with managers. I conducted these interviews from 21st of April until 6th of May. For an overview of the interviewees characteristics, see Table 1. I selected the interviewees based on their knowledge of the companies selected, due to their present and past work experiences. The interviewees sample includes a set of individuals specialized on the luxury retail sector, with an average of

eleven years of sector experience, and high knowledge on the companies under case study due to their work experience.

Interview n°	Name	Current Position	Interview Tool	Relevant previous roles	Years in the Industry	N° of interviews	Duration of interview
I1	Rita Ricciardi	Loewe Store manager - Lisboa	Microsoft Teams	Women Department manager at Prada Lisboa	7	1	45 minutes
I2	Najib Bouricha	UK Retail Manager Stuart Weitzman	Skype	Project responsible for opening NBS Dior store, Dior Sloane Street Deputy Manager	15	1	60 minutes
I3	Marine Vedel	Assistant manager of women ready-to-wear and shoes department in New Bond Street - London	Skype	Assistant manager of UK Cooples	10	1	70 minutes
I4	Laura Scano	Miu Miu Store Manager - London	Microsoft Teams	Retail Italy supervisor in Max Mara, Department Manager in Women RTW and Shoes at NBS	10	1	40 minutes
I5	Guillaume Dursus de Courcy	IWC Store Director - London	Microsoft Teams	Department manager at Harrods Dior	14	1	50 minutes
I6	Patrick da Silva	Cartier Store Director - Lisbon	Microsoft Teams	Cartier Business development for Portugal and Spain	10	1	60 minutes

Table 1. Interviewee characteristics

The secondary data collection process took place from 19th April to 15th May. The archival data was obtained from my internship at Christian Dior. In what respects the other types of secondary data collected, a selection based on source's legitimacy, added value to the research, and publication date, was applied. See appendix 7 for secondary data sources.

Interview and Sampling Technique

The interview scripts (Appendix. 4) intended to eliminate any questions that were biased, double barreled or too value laden (Berg, 1994). Throughout the interviews, little adaptations were made to control better the direction of the interviews. In what regards sampling, snowball (Lincoln & Guba, 1985) and purposeful sampling (Patton, 1990) were applied. The interviews were recorded, transcribed and organized on an individual data basis.

The interviewee sampling can be divided in three paths: 1) Linked-In hunt, 2) personal network, and 3) family network. The first social network used to contact expertise managers was Linked-In. In this website, I contacted fifteen managers working in Lisbon on luxury retail. The only successful answer received was the first interview I realized to Loewe's Lisbon store director. The second network used was my professional network. From November 2019 to January 2020, I did an internship at a Dior boutique in London. I contacted my previous manager, the assistant manager of the RTW and women shoes department. She agreed to be interviewed and recommended other managers working in London in luxury retail, who all agreed to participate.

Lastly, I recurred to my personal network and was able to contact Cartier's store director in Lisbon. He was my sixth and last interviewee.

The samples' informational power, i.e. their expertise on the subject under study (Malterud et al., 2016), was high. The interviewees' work experience, which enabled the creation of an homogeneous sample, and the similar interview questions and script, enabled the collection of concise, interesting and concentrated information, reducing the necessity for increasing the sample size (Rego, et al., 2018; Johansen et. al., 2017).

Data analysis

I used a middle-order approach for the data analysis. I used coding to reduce and condensate a big amount of data by selecting, categorizing, and labeling statements. *"A code in qualitative inquiry is most often a word or short phrase that symbolically assigns a summative, salient, essence-capturing, and/or evocative attribute for a portion of language-based data"* (Saldana, 2015, p.3).

I started by defining a first list of codes generated from the research question and the literature review (Layder, 1998). When coding the 1st interview, I applied the original list of codes, while new codes emerged from the data, adding codes to the original list. Following to code the 2nd interview, I applied the list of codes generated at the end of the 1st interview, and again new codes emerged from the 2nd interview. The next step was to return to the 1st interview, and update the codes generated from the 2nd interview with quotes from the 1st interview. Successively, the process was repeated until the sixth interview was coded, and the five previous interviews were coded with the new codes generated from the sixth interview.

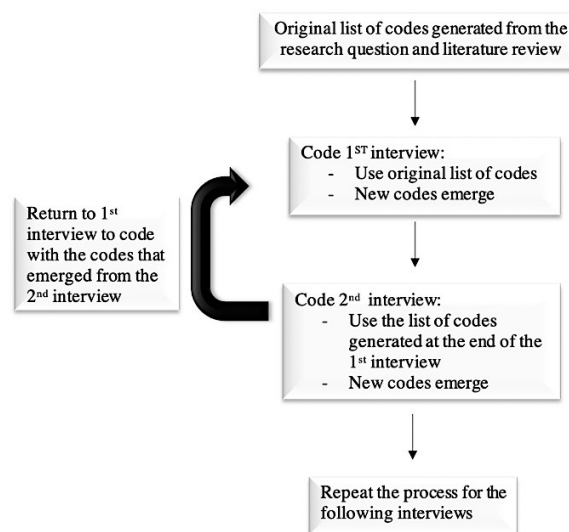


Figure 1. Coding process

Where it was possible to maintain interviewees' level meanings, I used labels with terms actually used by the interviewees, for example the code "Uber Luxury" was mentioned by Dior's boutique assistant manager in her interview. In other cases, I appointed labels that respected the level meaning of the statements but weren't the exact words used by the informants, enabling me to capture as close as possible the interviewees meanings and language (Spradley, 1979). To exemplify how codes emerged I will give as example the sentence "*When a collection is launched, the limited production allows the brand to create waiting-lists for the products.*" (I2), that was coded as "Customer waiting lists", or "*The oblique print is very successful, because you cannot miss it is Dior.*" (I3) was coded as "Recognizable Style/Design". On the coding table found in appendix 5, different colors are assigned to codes depending on their origin:

Yellow	Light blue	Pink	Grey	Green	Dark blue
Research Question	Literature Review	1 st Interview	2 nd Interview	3 rd Interview	5 th Interview

Table 2. Origin of codes by color

At the end of the interview coding process, secondary data was coded through the same exact process, and one hundred and two first-order codes emerged. In order to compare and contrast data across sources, comparative methods were used (Glaser, 1978). The analysis included an axial coding (Strauss & Corbin, 2008), that worked on similarities and differences between the first-order codes, enabling me to create categories that represented groups of codes related to the same topic. For example:

Category: Consumer metrics
Code: Yearly expenses
Code: Frequency of purchases
Code: Clients' loyalty
Code: Purchase power
Code: Luxury social stratification

The same process was applied to all codes until twenty four categories were formed (Appendix 1). The final phase was theoretical coding (Glaser, 1978, pag.72). This phase, involved organizing categories into higher-order categories: "*more general, higher-level, and more abstract constructs*" (Saldana, 2015, p.13), for example:

Higher order category: Consumer knowledge

Category: Generations

Category: Consumer metrics

Category: Types of consumers

Category: Purchase trends

Category: Emotional feelings

Subsequently, categories and higher-order categories were compared with each other, and consolidated in various semantic interactions and relationships, progressing towards a thematic and conceptual scheme. Resulting from this, is the scheme below that traces sequential and interactive relationships.

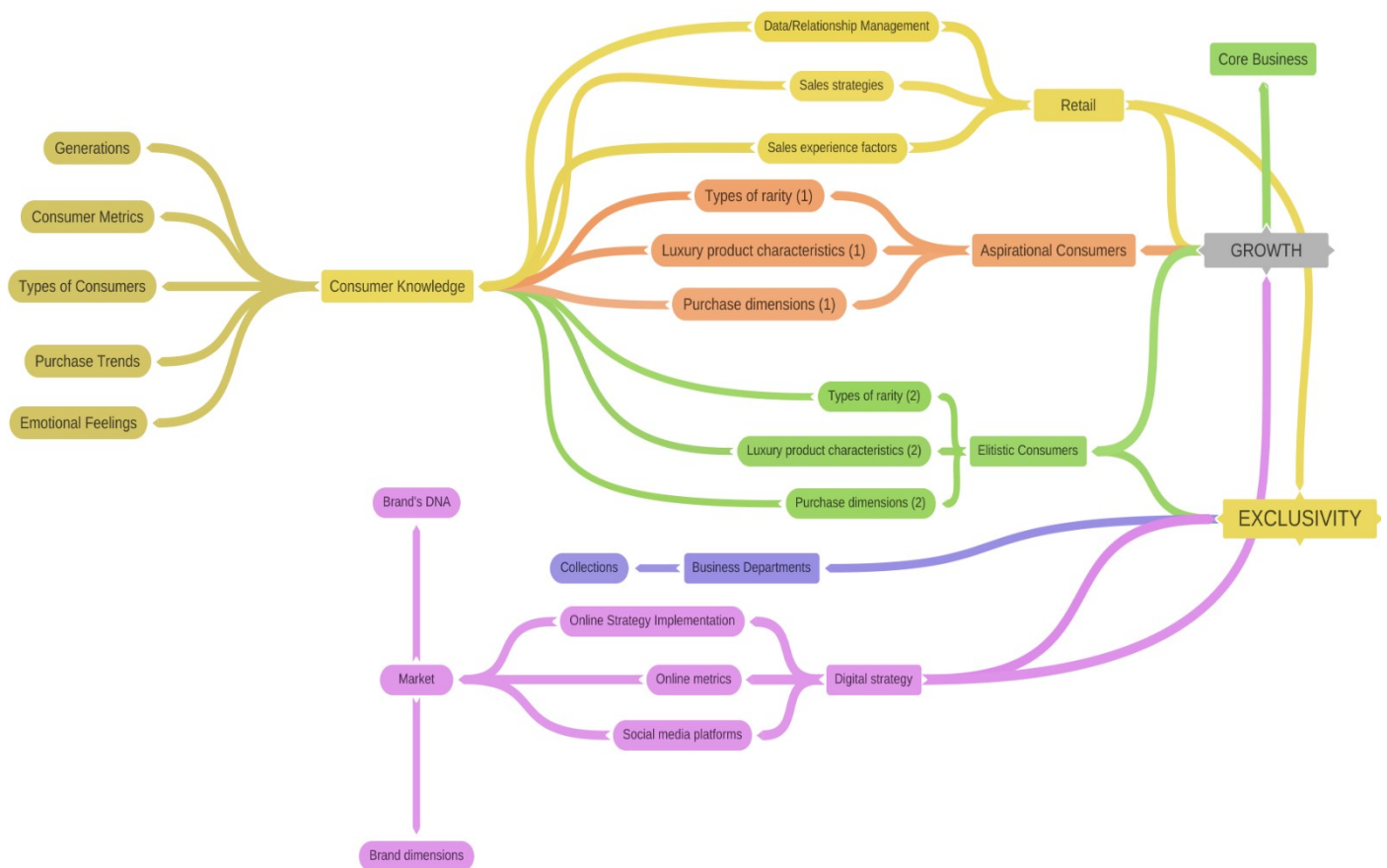


Figure 2. Scheme of codes and higher-order categories' relationships

The circular forms represent categories, whereas the square forms represent higher-order categories. Every higher-order category or category was sequentially related to “Growth”, “Exclusivity”, or both. From that resulted the scheme presented above, that details the four mechanisms that influence “Growth” and “Exclusivity”. In appendix 6, the structure of each mechanism is detailed.

All in all, provided below is the scheme that resumes how data analysis functioned.

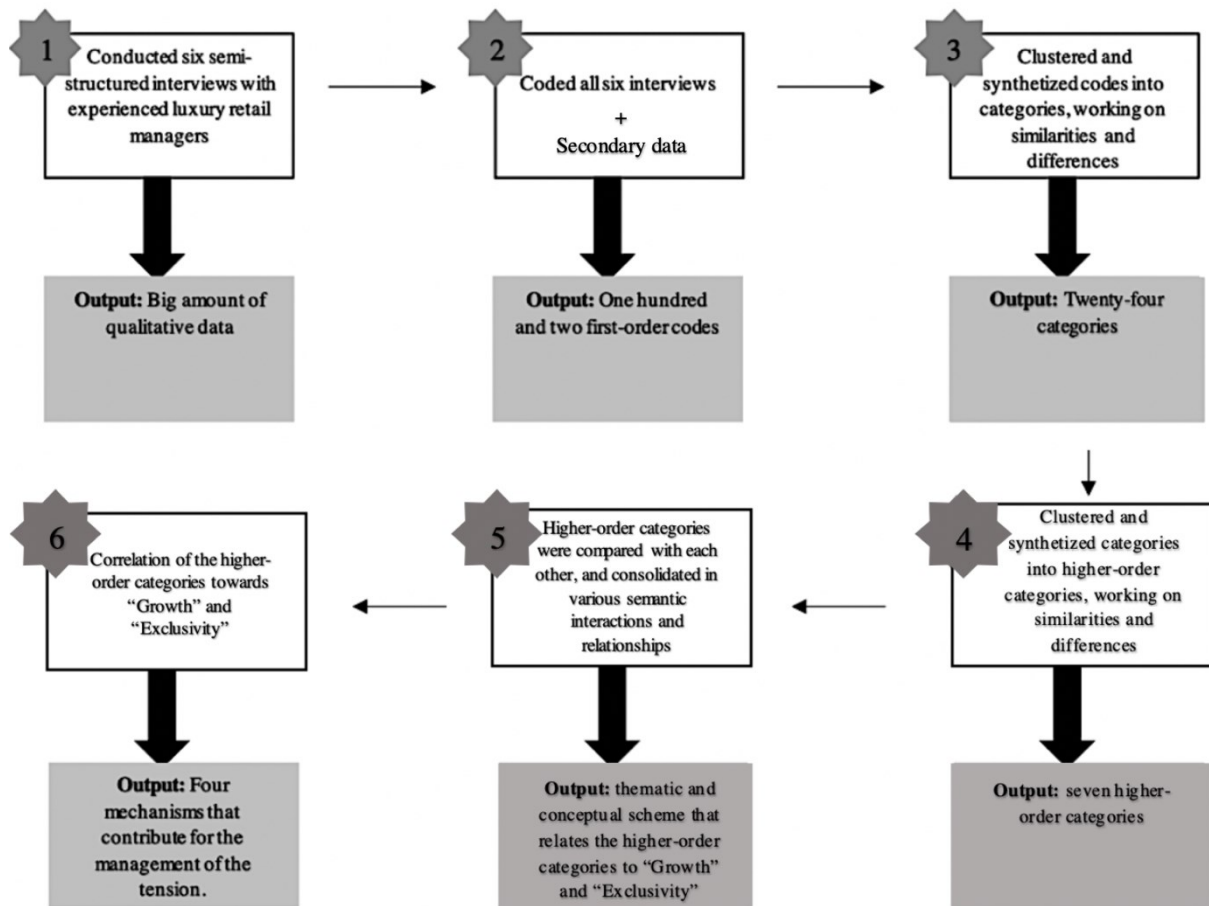


Figure 3. The six sequential phases for the four mechanisms creation.

Empirical Setting

The empirical chapter intends to present the companies selected for case study. Table 3 details the characteristics of the latter.

1. LVMH Luxury Group

Louis Vuitton Moët Hennessy is the actual leading luxury group. Its Fashion and Leather Goods brands portfolio includes brands like Louis Vuitton, Christian Dior, Celine, Loewe, and RIMOWA.

Bernard Arnault, LVMH's CEO said^{iv} (2019): "*LVMH had another record year, both in terms of revenue and results. The desirability of our brands, the creativity and quality of our products, the unique experience offered to our customers, and the talent and commitment of our teams are the Group's strengths and have, once again, made the difference*". The key highlights for 2019 include continued group growth in all geographical areas.

1.1 Christian Dior S.A.

Christian Dior was born in Normandy, France in 1905. From a young age, showcased his sketches in an art gallery in Paris alongside artists like Pablo Picasso^v. After serving in the 2nd world war, in 1942 went to work as couturier and designer for Lucien Long, along with Pierre Balmain.

With his strong will, passion for couture and rich experience, Christian Dior founded the renown and iconic brand Christian Dior in October 8th 1946 at 30 Avenue Montaigne, Paris^{vi}. The first official collection was showcased on February 12th in 1947. Christian Dior had just one purpose: to lift up women, bringing them beautiful, joyful and elegant pieces. His name eventually became synonymous with French luxury all around the world.

In 1947, the brand debuts its first fragrance *Miss Dior*, as a tribute to the creator's sister Catherine Dior, creating the House of Christian Dior Parfums^{vii}. This visionary creator invented the concept of global beauty with its *Rouge Dior* lipstick and subsequent cosmetic lines. In the present days, Dior Beauty includes Make-Up, Skincare and Perfume lines. In 1949, Dior was the first couturier to arrange licensed production of his designs. Having realized the importance of the complete look, Dior together with business partner Jacques Rouët, licensed his name to a range of luxury accessories^{viii}. Although this move was heavily criticized by the French

Chamber of Couture - denouncing the move as cheapening the haute couture industry - licensing became a profitable move for Dior and was followed by nearly all of the period's fashion houses.

Christian Dior suffered a fatal heart attack on October 24th, 1957^{ix}. As result, Yves Saint Laurent was assigned artistic director, staying on the role until 1960. In 1967 the house created its first ready-to-wear collection, under the helm of Marc Bohan as artistic director. On the same year, a Baby Dior collection is launched, that remains until the present days. In 1970 the brand launches its first Dior Homme collection. In 1989 LVMH bought Christian Dior and repositioned it as Christian Dior S.A. Nowadays, Maria Grazia Chiuri, the Creative Director of the brand since 2015, is the first female to be head of the label.

In April 2017 LVMH announced that was integrating the entire Christian Dior brand within the group, by buying Christian Dior Couture, in a deal valued at \$13 billion^x (Appendix 3). The intent was to create further synergies between Christian Dior Couture and Parfums Christian Dior, which is already fully owned by LVMH. Christian Dior Couture was an exclusive owned subsidiary since 1995.

1.2 LOEWE

Loewe was founded in 1846 in Madrid Spain, by an artist specialized in the creation of small leather goods^{xi}. At the end of the 19th century, Enrique Loewe arrived in Spain and joined the group. The German craftsman was specialized and had high technical skills in leather treatment and construction, joining the owners and helming the operations, giving his name to the brand. In 1945 the brand started its ready-to-wear business with José de Rozas as Creative Director. Until 1978, Rozas created and strengthen Loewe's spirit: a brand enriched by Spanish heritage with a democratic sense of design. Loewe's emblematic anagram was created by Vicent Vela in 1970, that since then represents the brand's technical and material excellence. In 1996 Loewe was bought by LVMH, joining the portfolio of brands specialized in leather goods. The Amazona, an iconic handbag debuted in 1975, is a continuous example of a combination of exquisite materials and craftsmanship with functionality and timelessness. Until the present days, the brand is known and recognized by its exquisite leather work and aspires to become one of the top 3 world leading luxury leather Houses.

Since 2013 Jonathan Anderson has been the Creative Director, leading the brand to a new, bold, playful and spontaneous brand identity. Paula's Ibiza collection, an yearly partnership with a

southern Boho Spanish brand, and Eye/Loewe/Nature, a collection based on outdoor activities, are examples of this.

With an ongoing internationalization strategy, Loewe continues to open new stores in trendy powerful streets around the world: Milan and Tokyo in 2014, Miami in 2015, and two stores in New York in 2019. The 2019 LVMH press release mentioned *“Loewe delivered strong growth under the impetus of its designer JW Anderson”*^{xii}.

2. RICHEMONT Luxury Group

2.1 CARTIER

It all started in the beginning of the 19th century. Louis Cartier was born in 1819 in Paris^{xiii}. In 1847, Cartier bought the store from his employer, in order to collect jewelry pieces to expand his collection, adding to his timeless pieces, focusing only on the finest jewelry he could find. Throughout the years, Cartier's collection got richer and richer, becoming the "King of Jewelers, Jeweler of Kings".

In 1899, monsieur Cartier handed the business over to his three sons^{xiv}. In 1904 with the brand's founder death, the will to extend the brand and make it known in the most influential capitals became an objective to Alfred, the founder's soon. The brand survived successfully both world wars due to the strategic focus on less affected countries. After the death of Louis and Jacques in 1942, the company remained family-owned with the sons of the grandsons' creator. Upon Pierre's death in 1964, the decision to sell each branch separately, Paris, London and New York, seemed the correct one. In 1972, 1974 and 1979 Robert Hocq along with Joseph Kanoui and Anton Rupert, bought all three branches back, and the company remains to this day, a single entity.

During a time where the watch industry was experiencing a recession, Hocq and Perrin created *Les Must Cartier* in 1973, which consisted in an affordable line of products, from leather goods to sunglasses, pens and watches, with Cartier's logo and design^{xv}. These products were sold by the millions and democratized Cartier's brand making it accessible to a large audience and no longer just jewels of the royals. By 1980 these products were exceeding a billion dollars a year. Currently, from this collection the only products still manufactured are small leather goods and perfumes.

In 1993, Cartier was merged with other brands controlled by the Rupert Family, creating the Vendôme Luxury Group^{xvi}. In 1997, Richemont Luxury group possessing 70% of the Vendôme

Group, in December bought the 30% remaining, consolidating the Vendôme Group under Richemont's operations.

Cartier's jewelry sales were supported by the iconic collections *Love* and *Juste un Clou*^{xvii}. Watches sales profited from *Santos de Cartier* collection, and the strong performance of Cartier *Panthère*, which keeps a strong appeal. In December 2019 introduced its first feminine handbag based on the Maison's emblematic red box, *Guirlande* de Cartier. The company made high value investments in boutique renovations, as the brand intends to showcase their creations in the ultimate retail environment. The renovations aim to reach 38 boutiques. Moreover, with the objective of personalization and cultural appeal, 20 different versions of the brand's website were created. Cartier is one of the most recognized names in the jewellery and watches industries as a reference of timeless, elegant, simple and true luxury. The brand entices with its exquisite design, lines of innovation and expertise. It successfully stays unique and a leader in its pioneer field.

1. LVMH	<ul style="list-style-type: none"> • Creation: France, 1987. • Owned by: Bernard Arnault. • Revenue of €53.7 billion in 2019, an increase of 15% from the year before. • Six business groups: Wines & Spirits, Fashion & Leather Goods, Perfumes & Cosmetics, Watches & Jewelry, and Selective Retailing. • Fashion & Leather goods business group did €22,2 billion in 2019, a 20% increase at current exchange rates.
1.1. Christian Dior S.A.	<ul style="list-style-type: none"> • Creation: France, 1946. • Owned by: Christian Dior, Christian Dior Parfums, and Christian Dior Couture are all owned by LVMH. • Christian Dior: 6,280 employees. • Christian Dior Parfums: 10,400 employees. • 250 brand owned boutiques worldwide. • \$55.2 billion in sales in 2019, comparing to \$49,3 million in 2018, and \$47,3 billion in 2017. • In 2019 the brand assets represented \$88,3 billion, and the profits were of \$3 billion. • "Christian Dior's revenue has doubled over the past five years and its profitability has improved over the same period, with an increase in operating profit from recurring operations of 24% per year. For the last 12 months, Christian Dior reported revenue in excess of €2 billion and profit from recurring operations of €270 million". (Hoang, 2017) • Departments: Fashion & Leather goods; Accessories; Skincare, make-up, perfumes; Haute couture; Jewelry and watches; Home Décor, and Baby collections.
1.2. Loewe	<ul style="list-style-type: none"> • Creation: Spain, 1846. • Owned by: LVMH. • 1,300 employees. • 150 boutiques in 46 countries worldwide. • Departments: Fashion & Leather goods; Accessories; Perfumes; Home Décor.
2. Richemont	<ul style="list-style-type: none"> • Businesses groups: Jewellery Maisons, Specialist Watchmakers, Online Distributors, and Other. • Cartier and Van Cleef & Arpels are part of The Jewellery Maisons • Specialist Watchmakers includes IWC Schaffhausen and other brands¹⁶. • Revenue of €13,989 million in 2019: 51% corresponding to Jewellery Maisons and 21% to Specialist Watchmakers.
2.1. Cartier	<ul style="list-style-type: none"> • Creation: France, 1847. • Owned by: Richemont. • 7,500 employees. • 300 brand boutiques and retail representatives all over the world. • Cartier and Van Cleef & Arpels had a 10% sales progression, represented by €7.083 million in 2019. • goodwill of €819 million in 2019. • Departments: Watches; Jewelry; Small leather goods; Handbags; Accessories; Fragrances.

Table 3. Summary of companies' characteristics

Findings

This chapter answers the following research question “How do luxury brands manage the tension between growth and exclusivity?”. From the data analysis resulted four mechanisms used to manage the tension (Appendix. 6). The findings will be structured around the four mechanisms used by the brands, and correspondent examples.

I. Implementing digital and retail strategies

The first mechanism to manage the tension between growth and exclusivity, illustrates the different strategies on how to excel on the digital and retail channels. These two channels have rather different functions on the brands’ strategies to manage the tension.

In all brands under case study, the retail channel has emerged as the prime channel for emotional and personal connection building. This connection can be with the sales assistant, brand or with the experience as a whole. Sales teams are trained and inspired to provide the most unique, dreamy and emotional experiences to each customer at store. In each contact between customer and sales teams, the brand’s lifestyle and heritage is transmitted in order to increase desirability for the brand’s products, and connection with the brand: *“The way the product is presented needs to make the client dream of having it.”* (I1). These connections cannot be underrated, as they represent one of the most powerful tools of growth for luxury brands nowadays.

In the last few years Christian Dior, Loewe and Cartier, made high investments for the creation and nourishment of the consumer data base (CDM) and relationship management (CDM). The former, came as result of the brands understanding the power and influence of the retail interactions and experiences on brand growth. These investments target generally local clients, once these are the ones with higher shopping frequency probability. The end goal for the brands is to discover and deepen the knowledge on consumers’ aspirations and lifestyle, which will further allow to understand the consumers’ purchase power and potential, and stimulate future sales on special occasions (e.g. the client’s birthday, relationship anniversaries, or vacations). Having this knowledge, the sale assistant will be able to discern what type of client it is, and choose the client strategy accordingly. The different strategies differ in the access to brand events, exclusive products, brand content and treatment at store.

Since it is very important for luxury brands to differ the type of clients, and adapt the treatment to each segment, Christian Dior makes the following distinction in higher segments^{xviii}: Very Good, Very Good + , Very Important , Very Very Important, Elite and Super Elite, on an

ascending basis. Reasonably, the exclusiveness of access to Dior brand events and products increases along the segments. For example, Very Very Good clients + are invited for Trunkshows and one-to-one appointments in VIP rooms, whereas Elite clients have access to the preview of the collection after the fashion shows in Paris, access to Uber luxury and outside venue events. Other experiences that sales assistants provide to these segments include invitations for evening dresses roadshows to sell exclusive pieces, and for clients to come in store to pick up orders from fashion shows to maximize sell-through and encourage additional sales^{xix}.

In what respects lower segments, Dior and Loewe's sales assistants focus on driving repeat^{xx}. Here the strategy is to increase the volume of clients contacted in order to generate higher traffic in store and identify the best future clients with the clienteling tools available. To these segments, sales assistants invite for selected minor brand events: cocktail events for collection presentations, or launch of products, using digital cards to tease the clients and enlarge the target audience with purchase potential.

Sending flowers on the client's birthday, inviting for lunch at the customer's favorite restaurant, or for the Wimbledon Horse Race in London, are some of Dior's actions outside the boutiques, that increase the emotional and personal connection between consumer and sales assistant. It was concluded by the managers that a consumer emotionally attached to a brand, is more loyal, and in times of choice, will choose the brand to which is more personally and emotionally connected, whether this connection comes from store experiences, social media actions or outside venue events. Since brands know this they strive to deliver meaningful and exclusive experiences, using retail as a mean to do so.

Furthermore, 360° degree coherent communications between all brand's touchpoints with the consumer, as showed to be pivotal to strengthen brand image and symbolic associations. Mentioned by most interviewees, is it crucial that both online and offline channels are aligned, whether by the same aesthetics, or core message. To give as example, Dior's *OUI* Launch pack (2020) showcases six dimensions of action for a strong 360° strategy. The six dimensions include: 1) Network, 2) Media – digital campaigns, 3) CRM- promotion material to send directly to strategic clients, 4) Press – magazines , 5) Visual Merchandising- display of the new product for a powerful impact, and 6) Sales Teams^{xxi}.

In brief, the mechanism on retail illustrates the importance of CDM and CRM programs that enable deepened consumer knowledge. This knowledge is used to discern the type of client and choosing the according strategy. Consequently, sales assistants deliver inside and outside boutique experiences stimulating emotional connections that lead to loyalty, higher frequency

of purchases and higher sales values. Moreover, these meaningful, personalized, and unique experiences contribute to increased exclusivity and desirability.

On a world each time more digital, where the most digitalized generations are becoming even more relevant for luxury brands, brands' presence online is compulsory. It is crucial to be present, to be noticed and to be relevant. The brands under case study have two main branches of action on the online: e-commerce and social media and website marketing actions.

The companies studied, use digital channels to raise brand awareness, and transmit the brand's heritage, craftsmanship, values, identity and image. Moreover, these brands use social media to engage in conversations with consumers, stimulate the beginning of customer-brand relationships, and above all build and nurture the brand dream, aspiration and desirability. The Dior Saddle bag relaunch in 2018 used this strategy strongly: contacted one hundred of the biggest influencers worldwide to post a picture with the bag on the launch day, resulting on an extraordinary product and brand awareness, and consequent affluent product hunt. Hence, these actions intend for the brand to be known by all types of consumers, increasing the brand audience beyond the target group and having an aligned strategy with boutiques.

However, the interviewees have stated that luxury e-commerce does not represent a pivotal channel for growth. Indeed, the sales values are relevant and essential for their brands. Yet, a necessary factor for growth cannot be reached through this selling channel- the emotional and personal connection. Since the emotional connection is a both sides advantage, consumers will also prefer to buy at boutiques, rather than online. As result, brands cannot excel online on exclusivity, CRM and CDM, thus not achieving the same results of sales as in retail stores. To sustain this, there is the fact that five out of six managers demonstrated doubts regarding the future of e-commerce for luxury brands. Moreover, 43% of luxury online sales in 2019 were in the accessories category, a less emotional category (Bain & Company's, 2019), and as stated by Rambourg (2020)^{xxii} *"Consumers still want to enjoy mingling with their favorite sales associate, touch and feel products, or drink their favorite champagne in a VIP salon to which few have access"*. In sum, the digital mechanism illustrates how the digital channels are important for brand building and awareness, but do not represent crucial channels of sale for luxury brands, as the emotional connection cannot be achieved.

	Christian Dior S.A.	Loewe	Cartier
Retail stores as the prime channel for emotional connection and growth	<p>I. "Dior started a huge CDM program 5 years ago." (I2)</p> <p>II. "Knowing the customer needs, the places they frequent, and their lifestyle, allows the brand to trigger some little budget from their special occasions." (I2)</p> <p>III. "The human side is the rarity of luxury today. The only tool to succeed is to sell something beyond the product." (I2)</p> <p>IV. "I have an exercise with my team where I time how long they can sell a pair of shoes without talking about the pair of shoes. On average they last 30 seconds. It is all about the way the product is sold, and how the sales associates can connect with the customer with their personality and engagement." (I2)</p>	<p>I. "Clientelling is crucial to enhance the dream, and we do that through the relationships we have with the clients." (I1);</p> <p>II. "The way the product is presented needs to make the client dream of having it." (I1);</p> <p>III. "Once we create a relationship with them, we understand who they are, and what they buy." (I1)</p>	<p>I. "The objective is to have unique, cultural-based and exciting boutiques all around the world. To live a different experience of the same brand interpreted by the local richness." (I6)</p>
360° communication	<p>I. "In order to create desirability you have the anticipation before the fashion-shows, a huge media and PR management at the fashion-show and then the stores will start receiving the collections within 3 months." (I2)</p>	<p>I. "The sense of exclusivity is prompted by social media, selection distribution, and waiting lists." (I1)</p>	<p>I. "The objective is to improve and perfectionate the client journey in all the channels, making sure to control and excel at all the clients' touch points with the brand." (I6)</p>
Digital strategies to raise awareness beyond target group, and nourish brand identity and image	<p>I. "That is why, I am not too sure about the online channels because it is completely impossible to compare the experience of buying online or at the store." (I2)</p> <p>II. "The new generation of clients is super addicted to social media." (I2)</p> <p>III. "The marketing department is important to make sure the brand is knowing for all types of consumers." (I3)</p>	<p>I. "There is previous work and research of the brand that allows them to decide whether or not to enter in a relationship with the brand" (I1)</p> <p>II. "Nowadays an unsatisfied client on social media, is way more vocal than 10 satisfied clients." (I1)</p>	<p>II. "Due to the high levels of heritage and brand history, Cartier's quality and prestige is known by the general audience. That said, the brand is following a rejuvenation strategy in its social media platforms: increase brand awareness and break taboos in regards to being too conservative and not actual." (I6)</p>

Table 4. Summary of mechanism I strategies

II. Distinguish the different types of consumers to adapt and target tension management strategies

Aspirational Customer			Elitist Consumer		
Luxury product characteristics	Purchase Dimensions	Types of rarity	Luxury product characteristics	Purchase Dimensions	Types of rarity
"Entry-to-luxury" products	Conspicuous consumption	Selected distribution	Creativity	Elitism - perception scales	Rarity of raw-materials
Trendy	Extension of self	Scarcity	Premium quality	Prestige	Rarity of technical procedures
Branding products	Class & Status	Rarity of Information	Premium pricing	Uniqueness	Rarity of product
Recognizable style		Inaccessibility	Iconic products	Personal Distinctiveness	
Product lifetime					

Table 5. Characteristics of Aspirational and Elitist consumers

Mechanism II illustrates how the differentiation of consumers into aspirational and elitist, allows brands to adapt their exclusive and selling strategies in order to grow, while nourishing the sense of exclusivity and rarity. Beyond differentiating the consumers in higher segments

(mechanism I), Christian Dior, Loewe and Cartier, also distinguish and divide the luxury costumers into two general groups: aspirational and elitist.

Table 5 summarizes and details the characteristics of each type of consumer that were the cross between the description made by the managers, and the codes and categories that emerged from data analysis. The brands studied characterize aspirational costumers has having medium to medium-high purchase power. This type of client is attracted by trendy, branded items that have a recognizable style or design. Aspirational customers are not affected if they see other individuals with the same product as theirs, as their aim is to have items recognized by the general audience to fulfill the need of social status and class statement, aspiration and extension of self-reassurance, the final objective of their conspicuous buy.

The elitist consumer incurs feelings of prestige and elitism. These customers do not need their products to be recognized by the general audience, but rather by their specific elite group. Their purchases strive for personal distinctiveness and uniqueness. Given that they have high purchase power, they are able to include the brands on their day-to-day life, from clothing, to accessorize, to home décor. Elitist consumers seek high quality, exquisite design and higher exclusive products, hence they buy ready-to-wear in higher frequency or even haute-couture pieces.

Considering consumers' differentiation, the second strategy illustrates the departments different targets and objectives. For Christian Dior and Loewe, the accessories department has the highest echelons of profitability and trendiest products, due to the high volume of sales. Adjoining to this department, RTW carries high levels of brand heritage and identity, charges higher prices for higher exclusive products, therefore selling in lower volume. Naturally, due to the characteristics mentioned above, accessories appeal more to aspirational consumers, whereas RTW and HC departments are more consumed by elitist consumers. On the whole, RTW and HC collections keep the dreaminess, desirability and exclusiveness of the brand with modern, appealing and exquisite items every season. In short, accessories sell in high volume, reaching high profitability values, whereas RTW sells higher priced items, in lower volume, to keep the dreaminess and aspiration, caused by harder accessibility. In this way the brand grows by selling in high volume, while maintaining its exclusivity and desirability levels.

Scarcity strategies realized by Christian Dior and Loewe, are strategies that stimulate both types of consumers. These strategies manage desirability, CDM, exclusivity and growth at the same time. Scarcity is the brand's created artificial rarity. This strategy intends to manage the amount of product produced to be considerably lower than the demand expected, in selected strategic

products. The initial quantity produced will be sold to the loyal and valuable brand costumers. This type of treatment will make the costumer value his or her relationship with the brand, and the precious opportunity of having access to the product beforehand. This type of customer buys products from the brand frequently, has high values of yearly expenses, close relationship with the brand, and strive for exclusive products. They can also be referred to as elitist consumers. The products selected for this strategy, are in general accompanied by high social media promotion activities, resulting in high awareness and desirability for the product. Bearing this in mind, once the product is officially launched, a high affluent quantity of consumers go to stores in search for the new product. A minor quantity of product is available for this stage, and as a result, the product solds out quickly. The healthy frustration clients will experience because they cannot buy the item, will lead to increased desirability, and most consumers will buy other products from the brand to feed the desire, in hope of belonging into the group that had privileged access to these products next time. Afterwards, depending on the products and its potential of becoming house icons, they can be produced in high volume, allowing the brand to profit highly; or cease production, creating high levels of desirability, dream and aspiration for the brand. Referring back to Dior's Saddle bag relaunch, on the day of the launch, elitist customers had already had prior access to the new bag. However, in the affluent hunt for the item in stores, consumers would find out the bag was sold-out: *"(...) most would answer 'But it was just launched!' and the sales assistant would answer 'Yes, but we give priority to our loyal customers first in product launches. Would you like me to contact you next time?' - you take the details, you recruit a new client."* (I3).

Dior and Loewe create product categories' exclusiveness. Accessible luxury is known by the general audience, and has been in the market for years. Make-up, perfumes, and skincare lines are some of the categories that allowed luxury brands to access the masses and reach high levels of profitability. Belonging to the brand became easier and attainable. However, the elitism and prestige feelings from the elitist clients pressured the brands to create, even in democratized categories, products for their exclusive appetite. Upon the years, these brands have created higher priced, quality and exclusivity ranges of products in democratized categories. These products can reach ten times higher prices than the normal ranged products. Once again, offering products for the exclusive niche group satisfying their prestige and uniqueness feelings, but also selling in high volume products for the aspirational consumers. Let me exemplify this strategy by giving as example Dior *L'or de Vie*, a skincare collection produced and inspired by Château d'Yquem, a vineyard in France, characterized by its highest level of

excellence, with product prices between \$170 and \$630 individually^{xxiii}. On the contrast, the Dior skincare line *Hydra Life*, focused on offering high levels of moisture for skin plumpness, has products ranging from \$34 to \$69^{xxiv}.

Uber Luxury and Re-See orders are two illustrations of exclusive strategies used by Christian Dior, Loewe and Cartier targeting elitist consumers. These strategies provide to this group high levels of exclusivity, allowing brands to charge high prices, and make the aspirational consumers dream and desire these products and experiences. Uber luxury are initiatives created by Dior that stand for Haute Couture, Maroquinerie, Joaillerie, and Dior's interior design services. In terms of luxury fashion brands' exclusivity, clients cannot achieve more than Haute Couture. Haute pieces symbolize the highest levels of tailoring, exquisite quality, design, and exclusiveness. Uber luxury initiatives are organized events realized in the most prestige capitals of the world, from Paris, to Hong Kong, for a selected elite group. In these events, the clients will be able to buy products, choosing the product characteristics at their taste, resulting on unique, non-reproducible luxury products. Haute Couture pieces can range from \$20,000, for a pair of tailored trousers, to \$300,000, for a wedding dress. The brand DNA and identity are never at risk, as the procedures follow strict quality, and respect for the brand's heritage and history. Loewe and Cartier provide similar initiatives. For instance, Cartier allows the co-creation of jewelry pieces with some clients on rigid, and controlled processes, and Loewe provides tailoring and leather goods personalization services, but not the creation of haute-couture pieces, as the DNA of the brand is in leather goods.

Re-See orders are initiatives practiced by Dior and Loewe on a showroom the day after the fashion show. Elite clients that did not attend the fashion show, on the grounds that each boutique can only invite one or two clients, as this is the ultimate exclusive treatment experience, will buy pieces paying a 50% deposit. Re-See orders ensure clients they will be the first ones to receive the collection pieces. Dior and Loewe's boutiques have a financial budget allocated to buy collection pieces, calculated according to the boutique's previous sales, target objectives, customer profile and seasonality. Re-See orders will not be included in the boutique's financial budget, enabling the boutiques to order more stock for the upcoming clients also interested in the collection, and secure sales upon the moment the collection arrives in store.

On the whole, mechanism II details how exclusive strategies and products for the elitist consumers, allows luxury brands to sell in high volume in more profitable categories for the

aspirational consumers. When providing access to exclusive brand events and products to elitist consumers, the exclusiveness and personalization will satisfy their prestige and uniqueness needs. On the other hand, the inaccessibility aspirational consumers suffer for the same experiences, will increase their desirability, aspiration and hope of one day belonging into the elitist group. This inaccessibility feelings can be described by an healthy frustration that entices the aspirational consumer to keep a close relationship with the brand in the hope of belonging into the elite group in the future.

	Christian Dior S.A.	Loewe	Cartier
Distinguish between elitist and aspirational clients	I. "This kind of customers (aspirational) are going more to the branding type of items. (...) This type of customer (elitist) does not like branded products. They like to wear pieces that are recognizable, not by the general audience, but from their specific niche." (I3)	I. "At the moment we have two types of polarized clients: Millennials buy majorly what is trendy at that moment, and, local clients that have known the brand for years, come to us for the quality of product and service. (I1)"	I. "Within the client base there is a categorization made. The most loyal clients have privilege access to certain products, being offered the possibility of obtaining the products before anyone else." (I6)
Different categories' targeting	I. "Dior is a couture house the ready-to-wear is very important, the DNA of the brand is in the haute-couture." (I3)		X
Scarcity strategies	I. "When a collection is launched, the limited production allows the brand to create waiting-lists for the products. This waiting-list allows the brand to expand and manage its data-base of clients, and create desirability." (I2) II. "Every time the brand launches a product they know will be trending and successful, the amount ordered is never enough to fulfil the demand." (I3)		I. "In fine jewelry the products are rare. In this industry growth is based on the emotion, experience and client relationship." (I5) II. "Inaccessibility can come from two things: capacity of production and technical procedures." (I5)
Product categories' exclusiveness	I. "At Dior you have the classic cosmetics collections and then the collection privé that can cost up to 10 times more than the classic collections. In that way, they remove the cannibalization effect, and target different clients with the different ranges." (I5)	I. "Inside the brand you have a range of products that serve the different types of clients." (I1) II. "Paula's Ibiza collection has a range of baskets from 300€ to 1700€, and as result can be purchased by the aspirational with lower purchasing power that wants to be trendy, but also by a client that wants something more exclusive." (I1)	X
Uber luxury initiatives	I. "Sales assistants need to identify the "big fish", the richest clients, the ones with no budget limit." (I3)		I. "Cartier offers the possibility of creation or co-creation of productions with clients. However, is a long, strict, demanding and expensive process. No infinite budget buys a product that doesn't follow the strict aesthetics and DNA of the brand." (I6)
Re-See orders	I. "This ensures the clients they will have those pieces, and they will be the ones to receive them." (I3)		X
Exclusive treatment to higher segmented consumers	I. "The idea we transmit to the client when we send them a text message informing about this limited edition is: The brand chose YOU to be the first one to have access to such an exclusive product." (I2)	I. "Elite clients have other type of treatment: access to fashion shows, lunch with store managers, (...)" (I1)	I. "The brand provides to Elite clients exceptional treatment, taking them to visit the ateliers of high end watches, inviting to international events related with the sector, and others." (I6)

Table 6. Summary of mechanism II strategies

III. Keeping an iconic and design coherence for steady growth

Focusing on the creative side of luxury brands, mechanism III demonstrates how the management of iconic products, novelty, and a coherent creative line within and between departments, contribute to the tension management.

Iconic house products, take years to establish. At the moment of the launch are great successes, characterized by exquisite quality, and groundbreaking design lines, or ingredients, that throughout the years become easily recognized by the general audience. As result of their high success, brands tend to reproduce them every season, adapting to the market trends, maintaining the product's heritage and original form. Examples include, Dior's *Bar Jacket*, Loewe's *Gate*

bags and Cartier's *Love* collection. These products tend to be the ones you first recall when thinking about a luxury brand. As revealed by Dior's strategy to keep *J'Adior* shoes as 19% of the boutiques' buys^{xxv}, the brand has as objective to reinforce the iconic status of *J'Adior*, representing the number one priority of growth in shoes, by offering a new look, new style and a personalization service. Another example of this strategy was an initiative that occurred on Dior Europe boutiques. *D-Connect* sneakers were trending and highly requested. Meanwhile, *J'Adior* shoes, were decreasing its sales. Dior implemented a measure to recalibrate the weight in sales of both models, by only replenishing *D-Connect* stock after the weakly sales target of *J'Adior* was met by the boutique. If the target was not achieved, the replenishment of *D-Connect* would not be received.

In short, the maintenance of an iconic product as proved to generate a base revenue, and worship of the brand and product's iconic status. The base revenue allows brands to grow throughout the years without depending too much on fashion trends. Accordingly, a brand without strong iconic products becomes seasonally success dependent. The worship of brand's icons has proven to strengthened brand identity and heritage, thus increasing dreaminess, desirability, growth, and novelty by product adaptations. Aspirational customers buy these iconic products as they have recognizable styles or designs, and limited editions of the products are also available for elitist consumers. *Lady Dior* bags represent a very attractive product for aspirational clients due to their iconic status. For the elitist consumers, Dior has created an exclusive collection of only eleven *Lady Dior* bags in partnership with eleven female artists^{xxvi}. On the whole, iconic pieces allow for steady growth throughout seasons, and the preservation of exclusivity with the iconic limited editions.

In addition, a coherent design line between departments as proven to be a successful growth strategy. What this means, is the creation of products that follow the same creative line and combine perfectly^{xxvi} (Appendix 2). When Maria Grazia Chiuri was assigned Dior's Creative Director, totally changed the creative strategy. Previously, the product categories design would be assigned to assistant designers. From then on, Maria Grazia Chiuri would be responsible for the design of the whole product portfolio- from shoes, accessories, to clothing, in order to create the desired coherent design throughout categories. In short, items from the accessories department, to RTW would be combined and presented thoroughly to entice clients to buy full looks, decreasing the temptation to resort to other brands to complete the look. Furthermore, increases cross-selling strategies' success, as the different departments follow a collection theme that translates brand's DNA and identity. Luxury brands can have these strategies that

focus solely on growth because they are keeping their exclusivity allure on their strategies to the elitist group (mechanism II).

Dioriviera , a limited edition collection with an holiday theme from Dior, is only available in few selected stores, and no transfers are allowed. Besides the high level of exclusivity, these collections also create high awareness due to social media promotion actions, resulting on high desirability and aspiration levels. Moreover, stimulate novelty in lower seasons throughout the year. Another example is *Paula's Ibiza* by Loewe, a partnership characterized by its youthful, playful and vibrant pieces. Limited edition collections can also work in partnership with other influential brands or artists, given as example Dior x RIMOWA Collection^{xxviii}. This partnership includes hand cases, clutches and the iconic aluminum RIMOWA grooves. The collection is exclusively available in Dior x RIMOWA's Miami pop-up store. These collections serve to increase brand's exclusivity sense, increase awareness and desirability, hence growth.

	Christian Dior S.A.	Loewe	Cartier
Iconic products management	I. "The business is at risk when iconic products are not selling." (I3)	I. "The tan color is associated to premium quality and is used in the leather goods and clothing lines to evoke in the consumer's minds the premium quality and craftsmanship that is present in the products. Our handbags bestsellers are always in the tan color." (I1)	I. "Clients tend to look for the icons: love, trinity." (I6) II. "The Cartier iconic products have no price sensitivity." (I6)
Coherent creative and design line	I. "This strategy intended for Dior to sell the total look for clients, deliver coherence and distance clients from the attraction to acquire pieces from other brands to complete the looks." (I3)		
Limited editions	I. "When a collection is launched, the limited production allows the brand to create waiting-lists for the products. This waiting-list allows the brand to expand and manage its data-base of clients, and create desirability." (I2)	I. "The clients that want the exclusive products buy runway pieces and special editions like Paula's Ibiza Partnership Capsule Collections" (II); II. "Moreover, we have capsule collections (e.g. The Dumbo Collection) that surge in lowest times of the year to engage with the clients and create the sense of exclusivity." (I1)	I. "The creation of limited editions form a highly exclusive product portfolio access and treatment." (I6)

Table 7. Summary of mechanism III strategies

IV. Keeping the management of the tension at the brand and conglomerate level

LVMH knows the degree of dream and aspiration that each brand in their portfolio carries. LVMH understands how to capitalize on different types of brands - more intimate brands with higher levels of dream, and brands with sales volumes that can hardly defend its exclusivity levels for medium purchase power consumers, as these are the ones who buy the most trendy

products - *“Louis Vuitton does not have a perfect service, their products are not as dreamy as the other brands, it does not matter to LVMH, because this is the brand that is there to make money”* (I3).

Recalling the importance of the emotional connection and sensory stimulation central in luxury goods sales, *“For LVMH, the customer experience is one of the most valuable assets”* (I3), and throughout all its brand portfolio, from managers to sales assistants, this mindset is formed, nourished, and applied in all the brands’ actions: *“At Dior all the sales assistants are encouraged to deliver the best experience at store to every single client.”* (I3). As mentioned previously, the emotional connection built on retail channels is a pillar on luxury growth, thus the LVMH reinforcement on the delivery of the most personal, emotional and exquisite service in all stores.

LVMH also controls and analyzes products sales’ balance— the appropriate iconic versus, new items sales: *“If in one day the boutique only sells Lady Dior bags, and none Saddle bags, it is not good. Even if the target for that model has already been achieved for that week, the business is at risk when iconic products are not selling”* (I3). Both products mentioned represent iconic Dior products, which sustains the importance of all iconic house products maintenance.

LVMH’s affiliation to social, cultural initiatives, and responsiveness towards society relevant events, allows consumers to emotionally connect more with brands, the causes they support, and improve brand image. These actions instill in consumers the notion that the brands from the conglomerate follow sustainable, social and culturally responsible activities.

The main intent on LVMH’s growth strategies is to retain all types of clients with different styles, within the brand portfolio, covering all styles offered among luxury brands. Illustrating this, is Celine and Yves Saint Laurent’s example. Yves Saint Laurent, a brand owned by Kering, had Hedi Slimane as Creative Director between 2012 and 2016, increasing the brand’s revenue by 75%^{xxix}, reaching €974 million in 2015. In parallel, Celine, a brand owned by LVMH, had a revenue estimated at €1 billion in 2017. On January 21st 2018, LVMH announced Hedi Slimane as Celine’s Creative Director. His entry aimed at extending the brand’s collections to men couture, fashion and fragrances^{xxx}. Furthermore, Hedi would update and improve the label’s brand image from communications, to boutiques’ interior designs. Notwithstanding, one of the interviewees, a source from the LVMH group, stated *“What the designer is doing is bringing all the inspiration from the previous brand he worked for and creating Celine’s collections clearly inspired by Yves Saint Laurent”*(I3). In the past, the group did not have any brand that resembled Yves Saint Laurent’s style, losing the costumers who liked that aesthetics for Kering. Consequently, the brand now offers more rock’n’roll and edgier inspired pieces, for

a younger generation. Hence, LVMH is deviating clients from Yves Saint Laurent, and directly competing with Kering.

All in all, mechanism IV illustrates how tension management strategies are at the brand level, but also at the conglomerate level. The strategies mentioned above, represent settings where the conglomerate has heavy decision power. Nurture the retail channel as the prime channel for unique experiences; increase the iconic products nourishment; and the affiliation to social causes, are some of the strategies illustrated that the group promotes and pressures throughout all its brand portfolio.

All in all, the conglomerate's strategies seek the maintenance of all types of costumers' tastes within the group's brands.

	LVMH	Christian Dior S.A.	Loewe	Cartier
Nourishment of retail channels as the prime selling channel	<i>I. "For the LVMH group, the costumer experience is one of the most valuable assets. In this group from the sale assistant to the manager, everyone must have the same mindset." (I3)</i>	<i>I. "For the LVMH group, the costumer experience is one of the most valuable assets. In this group from the sale assistant to the manager, everyone must have the same mindset." (I3)</i>	<i>I. "For the LVMH group, the costumer experience is one of the most valuable assets. In this group from the sale assistant to the manager, everyone must have the same mindset." (I3)</i>	<i>II. "The objective is to have unique, cultural-based and exciting boutiques all around the world. To live a different experience of the same brand interpreted by the local richness." (I6)</i>
Iconic products worship		<i>I. "It is very important to maintain the iconic products has core profit of the business- no matter these products will generate money." (I3)</i>	<i>II. "The tan color is associated to premium quality and is used in the leather goods and clothing lines to evoke in the consumer's minds the premium quality and craftsmanship that is present in the products. Our handbags bestsellers are always in the tan color." (I1)</i>	<i>I. "Cartier clients in general start the relationship with the brand with an iconic product (e.g. Trinity ring), and tend to nourish the relationship throughout the years (marriage, first children). Cartier sees the multi-generational trend on its clients." (I6)</i>
Affiliation to cultural and social causes	<i>I. "What makes clients interested in the brand? Social media, and affiliation to specific causes." (I5)</i>			<i>I. "6 months ago, Cartier stopped using a specific stone that was supplied in Afghanistan due to the war conflicts in the country." (I6)</i>
Create a brand portfolio that offers styles for different types of consumers' tastes	<i>I. "Another strategy the group has, is to have a different type of brand to please all types of costumers- not everyone will like Dior, so the group needs to have brands that offer the style or design the costumer is looking for." (I3)</i>			

Table 8. Summary of mechanism IV strategies

Discussion

The results from the exploratory multiple case study detail the four mechanisms that enable luxury brands to, as the research questions says “manage the tension between growth and exclusivity”. In this chapter, the relationship between results and current discussions on the literature of the topic, will be developed.

Mechanism I:

It is not debatable the power of the digital influence on luxury transactions, neither the raise on online sales every year, 75% and 22% in 2019 respectively (Bain & Company's, 2019). As competition is fierce, brands need to differentiate themselves by adding emotional value, using storytelling techniques (Wetlaufer, 2011). These need to be conveyed in communications consistently, as they are efficient tools for brand awareness stimulation, and essential for successful brand strategies (Cavender & Kincade, 2014). Moreover, in line with mechanism I, digital channels are great tools for differential management, as luxury dream is boosted by the difference between those who know the brand – brand awareness, and those who can buy the brand – brand penetration (Dubois & Paternault, 1995; Kapferer & Bastien, 2011).

Internet also represents an opportunity for after-sales relationships management with the purpose of making the client come to stores regularly (Kapferer & Bastien, 2011), as retail represents the ultimate luxury experience. Interviewees' doubts regarding luxury e-commerce, are sustained by Kapferer and Bastien's (2011) affirmation that luxury brands should “*never sell online*”, and Okonkwo (2009) internet challenge on “*How and what to sell online*”. What my findings found new, was the uncertainty regarding e-commerce as a prime selling channel. As internet sales values increase, it is crucial for managers to understand on which categories and why, and to not underestimate the retail experience value by the allure of high sales values on e-commerce.

Equally important is the challenge of the 360° engagement consumers look for with luxury brands – including the online and offline channels (Okonkwo, 2009), as given by example Dior's 360° areas of action for *OUT*'s launch^{xxxi}. The aligned strategy on the different channels, allows for strengthen brand associations and identity on consumers' minds.

Despite the attraction for the digital, Generation Z always returns to boutiques aspiring physical interactions that will allow to truly connect and engage emotionally (Bain & Company's, 2019).

Moreover, as luxury is sensory in its essence (Dennis, et. al, 2004), and the ‘one-to-one’ relationship is a vital part luxury’s DNA, retail is the fundamental luxury channel without danger of being replaced. As its strong human purely relational dimension (Kapferer & Bastien, 2011), allows for meaningful personalized experiences, and the fulfilment of the symbolic and functional needs of luxury consumers (Schmitt, 1999; Tsai, 2005), retail channel is the prime channel for growth. Furthermore, CDM and CRM management on retail channels, represent great strategies for deepened consumer knowledge, that allows brands to choose the according strategies for each type of consumer. Additionally, Rambourg (2019) *states “Luxury will continue to be sold predominantly in stores or at least face to face, not online (...). Consumers still want to enjoy mingling with their favorite sales associate, touch and feel products”^{xxxii}*. LVMH’s CEO (Fernandez, 2020) stated *“Once a brand becomes established in consumers’ minds, it can count on fans to buy from its stores and website directly”^{xxxiii}*.

In line with Arnault’s affirmation on the move to new markets as a function of growth (Wetlaufer, 2001), Cartier’s growth strategies for 2020 do not necessarily translate this function. Cartier, intends to resize its physical network, by decreasing its number of stores– *“As time went by, the brand found itself with stores that were not relevant and with the Cartier codes, and image compromised”* (I6). The purpose is to increase the inaccessibility sense, hence increasing desirability, as the number of stores decreases. Moreover, make sure all the brand representatives are relevant and truly represent the brand identity, by increment of the service quality control and brand standards. Equally important, Cartier will renew its boutiques worldwide, with the purpose of changing the homologous classic decoration, to innovative, contemporary, culturally adapted, and interactive. The latter, will guarantee Cartier’s clients unique, cultural based and personalized experiences at boutiques– *“So customers live a different experience of the same brand interpreted by the local richness”* (I6). In short, not always growth is translated by increased number of stores. Strategies of network resizing and cultural adaptation can have as objective to increase the sense of inaccessibility, resulting in higher desirability (LVMH, 2012), aspiration, and exclusive experiences, that result in indirect growth by increasing luxury’s desirability triggers (Kapferer & Valette-Florence, 2016). Hence, this can only strengthen digital online channels’ roles on luxury brands tension management.

Mechanism II:

As suggested by Bain & Company (2019) regarding the two sources of consumer base growth, an association between ultra-high-net-worth consumers and elitist consumers, and entry-to-luxury consumers and aspirational consumers, can be made regarding their luxury consuming characteristics.

The types of rarity that best stimulate each consumers' desirability for luxury items is the physical rarity (Kapferer & Bastien, 2011) for elitist consumers - as they strive for unique and exclusive products, and virtual rarity for aspirational consumers - as informational rarity indulges the consumers with the sense of exclusivity and uniqueness, not necessarily real rarity. Moreover, if a product is used in conspicuous consumption, more common in aspirational consumers' buys, scarcity due to limited supply is more advantageous than scarcity created by high demand (Gierl & Huettl, 2010), as serves as example Dior's Saddle Bag relaunch. Rarity enhances the desirability of anything that can be possessed, and the possession of scarce products creates value through feelings of personal distinctiveness and uniqueness (Brock, 1968), as observed by elitist consumers. The stronger the need for uniqueness, the more rarity enhances value (Lynn, 1991) for elitist consumers (e.g. Uber Luxury). On the opposite, demand for a commodity can increase as result of others being also consuming the same commodity (Leibenstein, 1950), as seen in aspirational and Asian consumers. As Truong et al. (2009) defend the increase of aspirational consumers and its growth, it is fundamental that the brands also offer products and experiences that meet their aspirational feelings (Yeoman, 2016). However, brands need to be careful on the products offered to aspirational clients, serving as example *Les Must Cartier* that completely endangered the jeweler's status, and reputation as a luxury brand, and had to be discontinued. Still in this line of reasoning, the higher the difficulty to access an item, the more the product is desired by consumers (Kapferer & Bastien, 2011), recalling once again to scarcity strategies and Dior's Saddle bag relaunch example. As limited production is a fundamental trait to maintain exclusivity (Okonkwo, 2017), scarcity strategies to keep creating desire, incite desire in many and raise barriers of entry so that only some can buy (Radón, 2012). However, these obstacles need to be updated in order to sustain desire (Kapferer & Bastien, 2011), meaning that a healthy frustration should be felt by the aspirational consumers, allowing for them to have high desire levels that sometimes are satisfied, but not frustrate them at the point where they will resort to other brands.

Uber luxury initiatives, and limited edition collections in partnership with artists, such as Dior x Rimowa Collection^{xxxiv} are examples of strategies used to maintain the elitist consumers loyal,

as they offer the ability for consumers to distinguish themselves from the other types of clients, and exhibit their cultural appreciation, exalting their purchase power. Moreover, these strategies create an inaccessibility that is source of desire, and in that way not be confused by the masses (Kapferer & Bastien, 2011). Arnault (Wetlaufer, 2001) states that growth is a function of desire. This can only strengthen the need for luxury brands to understand the desirability triggers for aspirational and elitist consumers, and excel on product and experience offerings for each type of consumer (mechanism II).

Finally, Yeoman (2010) states the concept of luxury has evolved from materialism and elitism, to aspiration and democratization, however evidence shows elitism feelings still occur among consumers. This evidence is sustained by the pressure luxury brands felt to create initiatives like Uber Luxury, and higher product's exclusivity in democratized categories to satisfy elitist consumers' need for uniqueness, and exclusive rare items.

All in all, my findings add theoretical value by illustrating how luxury brands can have purely growth strategies due to the inaccessibility and exclusivity they create among elitist clients – selling in high volume, still nourishing exclusivity and rarity.

Mechanism III:

Limited edition collections can be truly rare due to rarity of raw-materials, or technical procedures. Or else suffer from scarcity created by the brand, so that inaccessibility is created by limited supply. Some limited edition collections enjoy physical rarity created mainly by distribution selectivity (Kapferer & Bastien, 2011), serving as example Loewe's *Disney Dumbo* collection that was only available in five stores worldwide. These type of collections are great strategies to increase brand awareness and desirability, due to the collection's exclusivity, hence growth.

Preiholt and Hagg (2006) present a solution for the luxury goods paradox: high number of different products, so that total volume of sales is high and each product sales is minor. Nowadays, it can be observed the amount of product variations each product has, mostly in accessories categories - from color, to texture. These variations serve to, beyond limiting each products' sales to adhere exclusivity sense to the products, stimulate novelty and profit highly without risking to lose its desirability. Still in this line of reasoning, the products mentioned prior are generally iconic house products. As developed in mechanism III, these products should represent a relevant percentage of sales every period, with product variations to stimulate novelty – Bernard Arnaut (Wetlaufer, 2001) stated that these classic legacy pieces represented

15% of the business revenue at the time. Moreover, the stimulation of iconic products' worship, increases their value through time, resulting on steady growth, desirability and strong brand identity.

In what concerns creativity and luxury creative directors' roles, luxury brands tend to hire top celebrity designers, with high recognition levels, to create pieces that make consumers line around the block to buy them (Wetlaufer, 2001), and excite them enough so they keep a relationship with the brand overtime, resulting on high willingness to pay premium prices. Their job is to create timeless, modern, fast growing and highly profitable products (Wetlaufer, 2001). Moreover, a creative design line between categories, allows for higher success of cross-selling strategies and little temptation of consumers to resort to other brands. Additionally, their work includes, in RTW collections, a category more pressured by fashion trends, keep its relevance and contemporary look, while respecting and nourishing the brand's heritage and DNA.

Mechanism IV:

Since, each time generations want to connect more with brands, and seek ongoing conversations, luxury brands need to be innovative on their business models and their value propositions (Bain & Company's, 2019). As result, the involvement of the conglomerates and respective brand portfolio on social and cultural initiatives, represent great tools for increasing legitimacy and consumer connection towards brands (Cavender & Kincade, 2014), as stated in mechanism IV.

As mentioned in mechanism IV and in the literature review, some luxury brands lack dream. In this particular case, brands rely more on the upper path of the desire modeling (Kapferer & Valette-Florence 2016) - their desirability comes from the selectivity based on tangibles or exclusivities, abandoning the physical rarity. An example is Louis Vuitton, both mentioned on literature review and by interviewees. On the opposite, Hermès, the family owned French brand, bases its desirability on its prestige, creative leadership and true physical rarity, Hermès CEO stated (2014) – *"I pointed out that what was more important for us was the integrity of the product. We are not going to increase the production by changing the integrity of the product"*^{xxxv}. Neither is the optimal strategy, what brands need to do is clearly understand their brands' DNA, how it correlates with their consumer's desirability antecedents, what differentiates them, and follow the same strategy throughout the years.

Preiholt and Hagg (2016) state that conglomerates' growth strategies are not very sensitive about what brand the customer sticks with, as long as it belongs to the group. Cavender and

Kincade (2014) adding to the topic, declare that conglomerates growth strategies aim for group growth without losses for brands individually. However, I cannot totally agree with the latter statement. In Celine's example (mechanism IV), where the strategy aimed group growth, a clear change in the brand's image, and DNA was made. This change "(...) *completely disrupted what Celine was known for, and ignored the brand DNA*" (I3). What succeeded was that, in order for the brand to get closer aesthetically to Yves Saint Laurent, the designer had to distance the brand's collections from the brand heritage.

All in all, my findings support the conglomerates' power and influence on their brand portfolio's tension management strategies, such as their influence on the retail channels as the prime channel for emotional connection and growth, and the worship of iconic products.

Conclusion

I have demonstrated the gap on the literature of the tension growth-exclusivity management strategies. Higher theoretical consideration has been given to factors that influenced the creation of the tension: industry changes (Yeoman, 2010), customers' motivation and desire (Kapferer & Florence, 2016), effect of internationalization (Dubois & Paternault, 1995), and importance of exclusivity in luxury (Okonkwo, 2007). However, only few studies have actually addressed strategies to manage the tension (Fiona & Moore, 2018; Preiholt & Hagg, 2006; Radón, 2012). Thereupon, a noticeable gap exists in the literature of this issue.

Therefore, I chose to answer the following research question: "How do luxury brands manage the tension between growth and exclusivity?". In conclusion, based on the interviews and secondary data collected, the results suggest that the companies studied follow four mechanisms:

- I. Use retail to excel on emotional connection and deepened consumer knowledge, through CDM and CRM programs, enabling growth and exclusivity nourishment. Use digital channels to raise awareness and strengthen the brand identity and dream.
- II. Distinguish consumers into aspirational or elitist, and adapt the strategies for each customer.
- III. Create coherent design lines and nourish your iconic products for steady growth.
- IV. Understand the conglomerates' influence on tension management strategies.

Finally, the research features some limitations that might open fruitful approaches for future studies. Firstly, there is an opportunity of research application to a wider number of companies, identifying the extent to which my findings have a wider application. Secondly, future research could investigate the consumers cross-culturally, providing insights on the differences within the types of consumers, and if these differences influence consumers' responses towards brands' tension management strategies. Lastly, a quantitative analysis would enrich the literature by studying which mechanisms are more important according to the type of luxury brand, how the mechanisms relate, and the impact in sales and profitability of the mechanisms' implementation.

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Appendices:

Appendix. 1 Categories and sub codes

Types of consumers:

- Ultra-high net worth consumers
- Asian consumers
- Mature consumers
- Diverse customer base
- Watch consumer
- Consumer engagement with production process

Generations:

- Generation Z
- Millennials

Brands DNA:

- Heritage + History
- Heritage of craftsmanship
- Original designer
- Personality of creator mirrored
- Association of country of origin

Purchase dimensions:

- Conspicuous consumption
- Class & status
- Personal distinctiveness
- Extension of self
- Uniqueness
- Elitism- perception scales
- Prestige

Emotional feelings:

- Aspiration
- Sense of belonging
- Emotional connection
- Desirability

Consumer metrics:

- Yearly expenses
- Frequency of purchases
- Client's loyalty
- Purchase power
- Luxury social stratification

Brand dimensions:

- Brand dreams
- Brand awareness
- Brand values
- Brand image
- Brand identity
- Brand-customer relationship

Growth:

- Growth strategies
- Control of brand growth

Types of rarity:

- Rarity of raw-materials
- Rarity of technical procedures
- Rarity of product
- Rarity of information
- Selected distribution
- Scarcity
- Inaccessibility
- Limited production

Exclusivity:

- Exclusivity of events
- Product's range exclusivity
- Exclusivity
- UBER luxury

Sales Strategies:

- Cross-selling
- Storytelling
- Presentation of product
- Personalization of product
- OTO's

Data/Relationship Management:

- Clienteling
- CDM
- Sales teams- customer relationship

Business departments:

- Financial impact
- Omni channeling
- Luxury industry's competitiveness
- Creative director impact
- Iconic products

Retail:

- Department stores
- Mono-brand stores
- Pop-up stores
- Retail experience

Online strategy implementation:

- Marketing program
- Social media actions digital channels

Purchase:

- Purchase trends
- Bandwagon
- Novelty stimulation

Social media platforms:

- Instagram
- WhatsApp

Luxury product characteristics:

- "Entry-to-luxury" products
- Premium quality
- Premium pricing
- Trendy
- Product lifetime
- Branding products
- Recognizable style/design
- Creativity

Store experiences factors:

- Sales teams characteristics
- Service excellence

Store experiences factors:

- Sales teams characteristics
- Service excellence

Core business:

- Pillars of luxury business
- Business models
- Conglomerates strategy

Collections:

- Fashion show pieces
- Special editions
- 2nd hand market products

Market:

- Demand
- Sales
- Setting trends

Online metrics:

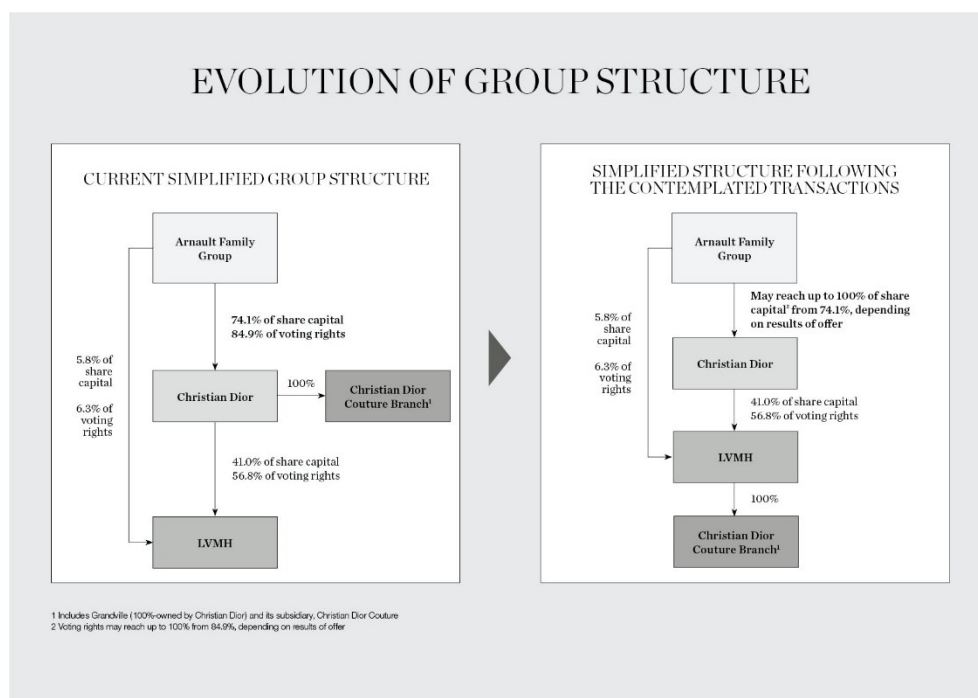
- Influence of digital info purchases
- Power of social media
- Online sales

Appendix. 2 Look from Dior Fashion show Spring Summer 2020 that showcases coherent creative line between ready-to-wear and accessories categories.



Appendix. 3 Structure of Christian Dior within LVMH group.

Bernard Arnault, LVMH's CEO "The corresponding transactions will allow the simplification of the structures, long requested by the market, and the strengthening of LVMH's fashion and leather goods division thanks to the acquisition of Christian Dior Couture, one of the most iconic brands worldwide". (Hoang, 2017)



Appendix. 4 Interviews Script

Presentation

- Why did you start working at this brand? When?
- How was your path until your present role?

Dreams Sellers

- Would you say the brand you work for sells a dream? What dream does it sell?

Customers

- Would you say that costumers buy the brand because it's trendy or because it's a dream/aspiration/rarity? Why?
- Can you differentiate your different types of consumers (in terms of lifestyle, reasons for buying luxury items,...)?
 - Are the different types of consumers aware of those differences?
 - Do those differences affect their decision of purchase or brand image?
- Do you notice any cultural differences (Chinese, Europeans, Americans, Middle Eastern,...) in the costumers, regarding their expectations towards luxury's exclusivity and scarcity?
- The new luxury consumers: Who are they? How do they buy? Are they loyal? How do you think to engage them?

Management

- What would you consider is the type of rarity your brand uses the most?
- What kinds of actions does the brand do in order to evoke in the consumers' minds the sense of exclusivity and rarity?
 - In social media
 - At purchase points
- Do you agree that social media activities make aspirational consumers buy more? How?
- Do consumers ask in-store for products they saw on social media? Why do you think that happens?
- Do you feel that the exposure and globalization the brand has in social media, affects the perception the Elite clientele has of the brand?

Growth Strategy

- What is the strategy of the brand in terms of growth?
- How does the brand makes sure they stay a luxury brand?
- What are strategies to maintain exclusivity and rarity?
- What are the challenges to balance growth and exclusivity?
- How does the brand balance the consumer's need for convenience and speed, with the brand's need to maintain its heritage and craftsmanship?
- Your brand has a lot of product divisions. How does the brand strike a balance between being a broad brand while also staying true to its original DNA and identity?
- How important would you say a marketing department is for luxury brands nowadays?

Conclusion:

- Do you feel that nowadays luxury brands are pampering to the consumers' wishes?

Appendix. 5 Coding table

CODE	INTERVIEW 1	INTERVIEW 2	INTERVIEW 3	INTERVIEW 4	INTERVIEW 5	INTERVIEW 6	FREQUENCY
Desirability	The way the product is presented needs to make the client dream of having it.	When a collection is launched, the limited production allows the brand to create waiting-lists for the products. This waiting-list allows the brand to expand and manage its data-base of clients, and create desirability. In this window of time (from the fashion-show until receiving the products at the store), the clients show loyalty and patience. // In order to create desirability you have the anticipation before the fashion-shows, a huge media and PR management at the fashion-show and then the stores will start receiving the collections within 3 months. From the moment the collections start arriving at the store, OTO (One-to-One) appointments are booked in order for the clients on the waiting list to be the ones to see and buy the products first. From then onwards the products start to be available for the entry-clients. Anticipation is instrumental.	In the shopping experience- every time the brand launches a product they know will be trending and successful, the amount ordered is never enough to fulfil the demand. Even if they know they will need more and could sell more, in order to create rarity. Moreover, to create the idea that is a privilege to know before the other, and the official launch-to be the first ones to have the product. In terms of brand, and financial impact, it allows the brand to sell all the stock before it arrives to the store. In order to differentiate the loyal Dior clients from other clients we say "Look, we are going to receive this product (sending authorized product digital content provided by Paris), do you want to see it (sometimes we have access to press samples) before it launches?" This creates excitement towards the product, anticipation and explains clearly that on the day of the launch the piece might be already sold-out. This type of treatment makes the client value his relationship with the brand and the sales assistant, and the precious opportunity of having the product before even launches. So, we launch the bag, we pre-sold everything already, we know it, and then the new customers that want the product we say "madam, I'm sorry we are sold-out", and most would answer "Oh no! But it was just launched!" and the sales assistant would answer "Yes, but we give priority to our loyal customers first in product launches. Would you like me to contact you next time?". You take the details, you recruit a new client. Whenever we receive the next delivery (2-3 weeks), the loyal clients already enjoyed exclusivity, and then we can sell it in mass. // The social media works hand-in-hand with these store launch events. For example, in the day of the launch of the Saddle bag or 30 Montaigne, on the day of the launch Dior contacted 100 of the biggest influencers worldwide to post a picture with the bag (highest profit margin products) at the same time. Creating a huge desire to get the bag, but then when the customers went to store, they would find the bag sold-out. Showing the customers that celebrities/influencers can have access to it, loyal customers can have it, but they can't. They need to start engaging with the brand 1 next time they want to be one of the lucky ones to have it.	To find the right balance between losing sales and create the right amount of desirability. Brands don't want to lose opportunities, but also don't want to make the clients frustrated by the difficulty of having access to the products. // Dior also creates rarity in more affordable products to induce desirability. 4 years ago, the production of the Tribal Earrings was reduced as a strategy to create a waiting-list. The collaboration between Kim Jones and Nike waiting list had clients willing to pay up to 10.000 pounds for a pair of sneakers, due to their exclusivity and popularity.	Every watch purchase is highly emotional, because is in general associated to special occasions, and connected to the brand's values. It is important to understand this in order to leverage the sales and desirability. Moreover allows the consumer to differentiate and evoke a certain status. // Rolex doesn't have limited production but has limited distribution (1.000.000 watches sold a year) because if all the stock was released it would make a huge amount of growth but the brand would lose desirability very quickly. On the contrary Patek Philippe only produces 43.000 watches a year, making it a desirable brand due to its high exclusivity level. In this case in order to leverage growth, the brands increase their prices. They increase their prices every year, based on the same models and therefore they make more because they sell most of their stock. // One category's desirability is supporting the growth of another: Ready-to-wear and Haute-Couture exclusiveness and limited production, allows for the accessories categories to sell in higher volume. // From this emerges the 2nd hand market, where some products can reach higher prices than in store, showing how desirability and aspiration for a product can make consumers' price sensibility so low. These products have no distribution and have highly emotional values due to their exclusiveness and years. Brands don't act in this market because they understand that the brand value is not in risk, it can even increase the emotional connection of consumers with the brand. // Even in perfumes and cosmetics the brand has ranges of quality, price and exclusiveness within the categories, some offering ultra-luxurious products. For example, in Dior you have the classic cosmetics collections and then the collection privé that can cost up to 3 times more than the classic collections. They remove the cannibalization effect, and target different clients with the different ranges. So even in accessible categories, elite clients can have access to premium products.	This is because first, the clients privacy needs to be respected, second to create and nourish the mystery of belonging to this exclusive group, and thirdly create aspiration and dream towards belonging to this group. // Within the client base there is a categorization made. The most loyal clients have privilege access to certain products, being offered the possibility of obtaining the products before anyone else. In the same way, the creation of limited editions (watches and jewelry) and correspondent privilege access to it, form a highly exclusive product portfolio access and treatment. The high end watch products is reserved to only a few number of clients, due to raw-materials rarity, unique technical procedures sometimes non reproducible, and to give priority to the most loyal clients. // In the 90's, Cartier launched a collection called "The Must Cartier". This collection was very controversial in the brand's financial crisis years. The collection included pieces at accessible prices with the Cartier aesthetics and logo. Cartier was expelled from the Comité Colbert. This collection allowed to target a different consumer and to reinforce the brand. This type of collection comes no longer made due to the danger of becoming to accessible and broad, but entry-brand-collections are made in order to initiate the brand's relationship with customers that don't have the purchase power needed yet, but will have as time passes.	6
Exclusivity	We had an event at the store where we invited Loewe clients that owned a Loewe bag, could be a 20 years-old bag, or a bag purchased the week before. They were invited to an event where a specialist would make a hydration to the bag, this is a super specific job, including rare products, that only a few people know how to do. This enables the client to feel that they belong to an exclusive club, with access to an exclusive and special treatment. // I believe that it doesn't affect the elite clientele, because if they want exclusivity they know which products to buy. // The clients that want the exclusive products buy runway pieces, special editions. Inside the brand you have a range of products that differentiates itself to serve the different types of clients. Besides that, elite clients have other type of treatment: access to fashion shows, lunch with store managers. // Moreover, we have capsule collections (e.g. The Dumbo Collection) that surge in longer times of the year to engage with the clients and create a sense of exclusivity. This sense is promoted by social media, selective distribution (only 5 stores all over the world had the collection), and waiting list. // It has a range of baskets from 300€ to 1700€ and as a result can be purchased by the Millennial with lower purchasing power that wants to be trendy, but also a client that wants something more exclusive.	(Limited edition of a piron bag only 5 pieces in the UK available) The idea we transmit to the client when we send them a text message informing about this limited edition is: The brand chose YOU to be the first one to have access to such an exclusive product. It is important not to be pushy, but to be transparent and show the client that if he/she doesn't want the product, the sale assistant will move to the next person potentially interested. The key aspects to such a sale like this are: explain the craftsmanship and quality of raw-materials included, the creativity of the product and the exclusivity of the product.	On the totally opposite side, the middle eastern clients, look for something totally different and exclusive. So if for example the sales assistant shows them something they have seen in the middle eastern stores, they won't purchase it. Limited editions are their favorite and most wanted products for purchase. // In the shopping experience- every time the brand launches a product they know will be trending and successful, the amount ordered is never enough to fulfil the demand. Even if they know they will need more and could sell more, in order to create rarity. Moreover, to create the idea that is a privilege to know before the other, and the official launch-to be the first ones to have the product. In terms of brand, and financial impact, it allows the brand to sell all the stock before it arrives to the store. In order to differentiate the loyal Dior clients from other clients we say "Look, we are going to receive this product (sending authorized product digital content provided by Paris), do you want to see it (sometimes we have access to press samples) before it launches?" This creates excitement towards the product, anticipation and explains clearly that on the day of the launch the piece might be already sold-out. This type of treatment makes the client value his relationship with the brand and the sales assistant, and the precious opportunity of having the product before even launches. So, we launch the bag, we pre-sold everything already, we know it, and then the new customers that want the product we say "madam, I'm sorry we are sold-out", and most would answer "Oh no! But it was just launched!" and the sales assistant would answer "Yes, but we give priority to our loyal customers first in product launches. Would you like me to contact you next time?". You take the details, you recruit a new client. Whenever we receive the next delivery (2-3 weeks), the loyal clients already enjoyed exclusivity, and then we can sell it in mass. // Reese orders: The day after the fashion show, Dior has a showroom in Paris where it presents samples (no sizing or trying on) of the fashion show, for the selected clients to see. The clients will select looks and pieces they would like to buy paying a 50% deposit. This ensures the clients they will have those pieces, and they will be the ones to receive them. Each boutique has more or less 1 or 2 in the fashion shows. However, boutiques have in general more than 2 customers that would be willing to buy the collection straight away. Even in this case, the number of invitations doesn't increase, because this experience needs to be maintained has the ultimate exclusive treatment experience. Loyalty first, always. The relationship between brand-consumer is gradually developed: first in the fashion show events, then outside boutique experience, and the top of the top is the fashion show. What this brings to Dior? Each boutique has an allocated budget, according to their location, previous sales, target reaching, and seasonality. With that budget the store director selects the styles and sizes from the fashion show to buy, respecting the budget allocated, based on their clientele. However, the reese orders from the fashion show are not included in this budget. With this type of orders, the boutiques are securing sales as soon as the stores start receiving the collections, and also allows the boutiques to have more stock for the coming clients in the boutique. // Dioriviera Capsule Collection: every year available in selected stores (south of France, Italy), has an holiday theme. Even if loyal customers want this collection in London, it isn't possible to sell to them (no transfers allowed), they need to buy it at the selected distribution stores. Quantities are kept quite low, but at the same time, create the rarity and exclusivity. Moreover, the collection's waves give novelty. // Dior wants to deliver a	To find the right balance between losing sales and create the right amount of desirability. Brands don't want to lose opportunities, but also don't want to make the clients frustrated by the difficulty of having access to the products. // The collaboration between Kim Jones and Nike waiting list had clients willing to pay up to 10.000 pounds for a pair of sneakers, due to their exclusivity and popularity. Dior also creates rarity in more affordable products to induce desirability. 4 years ago, the production of the Tribal Earrings was reduced as a strategy to create a waiting-list. // The number of hours that takes to create a product and the number of pieces available in Europe and middle east to give them an idea of the exclusivity of the product. // In department stores like Harrods, and Selfridges it is different because it has higher movement of clients and less time for each. Also, in logistics terms the exclusivity of treatment (e.g. having a private room) can become more challenging.	Watches are connected to the emotional side. Rolex doesn't limit the production, however they are not available, and so the brand creates waiting-lists and the sense of exclusivity. Products become very desirable due to the communication made by the brand, by social media, brand ambassadors. Increasing as well, the brand awareness. // Rolex doesn't have limited production but has limited distribution (1.000.000 watches sold a year) because if all the stock was released it would make a huge amount of growth but the brand would lose desirability very quickly. On the contrary Patek Philippe only produces 43.000 watches a year, making it a desirable brand due to its high exclusivity level. In this case in order to leverage growth, the brands increase their prices. They increase their prices every year, based on the same models and therefore they make more because they sell most of their stock. // Most luxury brands are increasing their prices every year, and none are decreasing the price in any of their categories. This means the products will become less and less accessible for middle-range classes, becoming more exclusive and therefore it becomes more desirable but this type of consumers won't be able to afford them. The main luxury houses don't make any sales or promotions. Dior makes some sales from time to time, but only on seasonal products, not core iconic products, majorly in the ready-to-wear and shoes categories. // Yes, a 480 pounds t-shirt can be considered affordable, but it is still 480 pounds in a t-shirt. A perishable product that can come out of style. Not everyone, even if they have the money, are willing to pay this price for this item due to the previous reasons. Even if a 20 years old client purchases it and uses it, I don't believe the elite clientele would be affected by this, they would even feel the brand is modern and appeals to younger consumers. // One category's desirability is supporting the growth of another: Ready-to-wear and Haute-Couture exclusiveness and limited production, allows for the accessories categories to sell in higher volume. // Even in perfumes and cosmetics the brand has ranges of quality, price and exclusiveness within the categories, some offering ultra-luxurious products. For example, in Dior you have the classic cosmetics collections and then the collection privé that can cost up to 3 times more than the classic collections. They remove the cannibalization effect, and target different clients with the different ranges. So even in accessible categories, elite clients can have access to premium products.	Luxury dilemma: be too exclusive or not be exclusive enough? There needs to be a precise balance between the exclusivity and democratization of luxury. // Within the client base there is a categorization made. The most loyal clients have privilege access to certain products, being offered the possibility of obtaining the products before anyone else. In the same way, the creation of limited editions (watches and jewelry) and correspondent privilege access to it, form a highly exclusive product portfolio access and treatment. The high end watch products is reserved to only a few number of clients, due to raw-materials rarity, unique technical procedures sometimes non reproducible, and to give priority to the most loyal clients. // Due to its high levels of heritage and brand history (170 years), Cartier's quality and prestige is known by the general audience. That said, the brand is following a rejuvenation strategy in its social media platforms: increase brand awareness and break taboos in regards to being too conservative and not actual. However, the exclusivity is created in the boutiques and in the relationship with their clients. // This is because first, the clients privacy needs to be respected, second to create and nourish the mystery of belonging to this exclusive group, and thirdly create aspiration and dream towards belonging to this group. // Cartier offers the possibility of creation or co-creation of productions with clients. However, is a long, strict, demanding and expensive process. The products are created respecting the codes, quality norms and aesthetics of the brand. No infinite budget buys a product that doesn't follow the strict aesthetics and DNA of the brand. // The strategy to open stores was also to increase the geographic coverage of the brand. However, by closing stores Cartier makes customers feel a healthy frustration to find the products, that increases the aspiration and dream to have them, and at the end the desirability for the products. By closing stores, the brand finds more funds necessary to renew the boutiques. // Cartier's exclusivity relies on the rarity and scarcity of the raw-materials used, and then the clients who can have access to the pieces created with the precious materials. The production is only limited due to what "nature" offers, and not rarely created by the brand. The created role of "Boutique Assistant" is the representation of the first contact between the brand and the client in the boutique. He/she will greet the client with a warm welcome and big smile, and further understand the wishes of the client and redirect to the right sales assistant. Moreover, make the client feel comfortable and deliver a personal treatment.	6

			welcoming service, connecting emotionally with the consumers, making them feel at home. Some clients when entering the store, we already know what they would like to drink, where they would like to try-on the clothes, who they would like to be assisted by, etc. . .			In the 90's, Cartier launched a collection called "The Must Cartier". This collection was very controversial in the brand's financial crisis years. The collection included pieces at accessible prices with the Cartier aesthetics and logo. Cartier was expelled from the Comité Colbert. This collection allowed to target a different consumer and to reinforce the brand. This type of collections are no longer made due to the danger of becoming to accessible and broad, but entry-brand-collections are made in order to initiate the brand's relationship with customers that don't have the purchase power needed yet, but will have as time passes.	
Control of brand growth	Jonathan repositioned the whole Loewe brand image when entering the brand. // Defines the brand strategy. Manages the value of each product and the brand at the end. It is really easy to kill a product, for e.g. if a product is a bestseller for 5 years shows low versatility and variety from the brand. // The tan color is associated to premium quality and naturality and is used throughout the leather goods and clothing lines to evoke in the consumer's minds the premium quality and craftsmanship that is present in the product. Our handbags bestsellers are always in the tan color.	The marketing department is important to a certain extent. It is important not to overdo it.	Dior is booming at the moment, especially because the new CEO Pietro Beccari is implementing a new strategy. The strategy is impacting who buys at Dior. // There needs to be the right balance among the products sold. If in one day the boutique only sells Lady Dior bags, and not Saddle bags it is not good for the brand. Even is the target for that model has already been achieved. The business is at risk when iconic products are not selling. At the moment the Dior trainers are really trending and are selling really good, as soon as the stock is receive, it is sold in few weeks. But what about the pump heels? What about the J'Adior (one of the pillars of the business)? It is very important to maintain the iconic products has core profit of the business- no matter these products will generate money. Moreover, to create the right balance between products. In January a measure was implemented in all Europe stores since in Europe's boutiques the replenishment for the stock of the models D-Connect and Walk n' Dior was so asked, due to their success, a "game" was implemented. In order to receive the replenishment of these models, boutiques had to achieve the weekly target of sales for the J'Adior models. If the target wasn't achieve, the boutique wouldn't receive more stock of the trainers. // Lastly, since Dior is a couture house the ready-to-wear is very important, the DNA of the brand is in the haute-couture. Everything sold at the store in the moment wasn't available when Christian Dior was alive, so as a couture house it is crucial to maintain the elegance and chic distinctiveness- this is made with the focus on the ready-to-wear at the boutiques, and the cross-selling- boutiques cannot sell gowns without suggesting the pumps. This secures the business in terms of wealthy growth.	Since 2016 when the Mate Laser print was launched, it became an iconic brand pattern and clients were very attracted to products with this leather because it was a statement piece. It was a big source of clients because it was a type of product clients would buy to signal status, since it was easy recognizable as a luxury product. After 3 years, that product sale started to decrease and at the moment Miu Miu clients are buying more ready-to-wear. This is a very fashionable client, but not a commercial one. We don't necessarily share clients with other luxury brands because our brand is very niche and specific. Our brand attracts edgy clients, that want different and statement, are very attached to the brand and find difficult to find these type of pieces somewhere else. The brand doesn't appeal to classic style consumers. // To find the right balance between loosing sales and create the right amount of desirability. Brands don't want to lose opportunities, but also don't want to make the clients frustrated by the difficulty of having access to the products.	Which brand ambassadors are chosen for each categories, engagement in long term visions, and the rarity and accessibility of each product. Most luxury brands are increasing their prices every year, and none are decreasing the price in any of their categories. This means the products will become less and less accessible for middle-range classes, becoming more exclusive and therefore it becomes more desirable but this type of consumers won't be able to afford them. The main luxury houses don't make any sales or promotions. Dior makes some sales from time to time, but only on seasonal products, not core iconic products, majority in the ready-to-wear and shoes categories. // From this emerges the 2nd hand market, where some products can reach higher prices than in store, showing how desirability and aspiration for a product can make consumers' price sensibility so low. These products have no distribution and have highly emotional values due to their exclusiveness and years. Brands don't act in this market because they understand that the brand value is not in risk, it can even increase the emotional connection of consumers with the brand.	The brand has invested in the rejuvenescence of the brand, the collection Clash is an example of this, and due to that is attracting a younger audience. Clients that look for the trendy products. // In general, the Cartier client is loyal to the brand. Initiating the relationship with the brand with an iconic product (e.g. Trinity ring), and tends to nourish the relationship throughout the years (marriage, first children). Cartier sees the multi-generational trend on its clients' jewelry passes from generation to generation. // No infinite budget buys a product that doesn't follow the strict aesthetics and DNA of the brand. // That said, the brand is following a rejuvenation strategy in its social media platforms: increase brand awareness and break taboos in regards to being too conservative and not actual. // In the 90's, Cartier launched a collection called "The Must Cartier". This collection was very controversial in the brand's financial crisis years. The collection included pieces at accessible prices with the Cartier aesthetics and logo. Cartier was expelled from the Comité Colbert. This collection allowed to target a different consumer and to reinforce the brand. This type of collections are no longer made due to the danger of becoming to accessible and broad, but entry-brand-collections are made in order to initiate the brand's relationship with costumers that don't have the purchase power needed yet, but will have as time passes.	6
Growth strategy	They had a flagship store in Miami but wanted to penetrate into the United states market with a stronger and more impactful position: this year opened 2 stores in New York, one in Soho and the other in the 5th avenue. // Jonathan repositioned the whole Loewe brand image when entering the brand. Loewe is a live brand, characterized by its quality in leather goods. Paula's Ibiza Partnership Capsule Collections: Spanish brand from the 70's and 80's from Ibiza. Every year Jonathan goes to the archives to get inspiration to create hippie chic collections. Even the classic clients buy that brand, because it is fresh and trendy and incorporates the spirit and youthfulness from those years in Spain. It has a range of baskets from 300€ to 1700€ and as a result can be purchased by the Millennial with lower purchasing power that wants to be trendy, but also a client that wants something more exclusive.	It doesn't matter how much they will purchase over the year, it is all about the frequency. You can always rely in these clients, not in terms of value: Are they contactable? Are they loyal to the brand? It is up to us to maintain a constant follow-up. // So, local clients are instrumental to sustain your business throughout the year. We have had a lot of investment in regards to the treatment provided for the local clients, for e.g. take them to Ascot in Wimbledon. This investment has been made to increase the potential of having them visiting us throughout the whole year. If you want to reach the targets, this is the whole fashion way of running a business. // Knowing the customer needs, the places they like to frequent, and their lifestyle, allows the brand to trigger some little budget from their special occasions. // (Limited edition of a piton bag only 5 pieces in the UK available) The idea we transmit to the client when we send them a text message informing about this limited edition is: The brand chose YOU to be the first one to have access to such an exclusive product. // When a collection is launched, the limited production allows the brand to create waiting-lists for the products. This waiting-list allows the brand to expand and manage its data-base of clients, and create desirability	When Maria Grazia Chiuri joined the company made a huge transformation in the creation strategy. Before her joining the brand, the Creative Director would focus mainly on the ready-to-wear design and the rest would be designed by the studio of assistant designers. When Maria entered she wanted to be responsible for the creation and design of the whole product portfolio: from the shoes, to the clothes, to the accessories. This strategy intended for Dior to sell the total look for clients, deliver coherence and distance clients from the attraction to acquire pieces from other brands to complete the looks. Moreover, everything produced would be in line with the collection theme, or to something related to the DNA and identity of the brand. Dior. This creates coherence within and between categories, increasing the cross-selling success for the sales assistants. // Lastly, since Dior is a couture house the ready-to-wear is very important, the DNA of the brand is in the haute-couture. Everything sold at the store in the moment wasn't available when Christian Dior was alive, so as a couture house it is crucial to maintain the elegance and chic distinctiveness- this is made with the focus on the ready-to-wear at the boutiques, and the cross-selling- boutiques cannot sell gowns without suggesting the pumps. This secures the business in terms of wealthy growth. // (((When Gucci had the trending and successful sneakers, the brand sold a lot of pairs, but now that is loosing its appeal (2 years after) and the sales decreased a lot, how are they going to sustain their business? How did they prepare their business to grow?))) // Dior is super rich in terms of heritage, dream and impact on social media. However, next to Chanel and Louis Vuitton (the big money machine of LVMH) is not as profitable. Dior has been a more intimate brand, smaller and for the niche elegant luxury consumer, and that is something the LVMH managers want to chance. They want the brand to get closer to the big names in terms of sales volume. // The figures of Louis Vuitton show the brand is not affected by its democratization, they are still the n°1 luxury brand in the world, generating 10 billions of dollars a year. Louis Vuitton doesn't have a perfect service, their products are not as dreamy as the other brands, but this doesn't matter the LVMH group, because this is the brand that is there to make money. Since LV is so profitable, it allows LVMH to have the funds to invest in Dior. Another strategy the group has, is to have a different type of brand to please all types of costumers- not everyone will like Dior, so the group needs to have brands that offer the style or design the customer is looking for. In that way, the customer won't go to the competition (other groups like Richemont or Kering), but will stay within the brand portfolio. An example of this strategy is what LVMH made with Celine. Once the brand was bought by the group, Hedi Slimane was chosen as the brand designer and it completely disrupted what Celine was known for, and ignored all the brand DNA. What the designer is doing, being the last Yves Saint Laurent designer, is to bring all the inspiration from the previous brand he worked for and creating Celine collections clearly inspired by Yves Saint Laurent. Why? Because before, the group didn't have anything that would compete with Yves Saint Laurent in terms of style. If the client wanted some piece with their aesthetics, they would go to the Kering group. Now, LVMH also has a brand that offers pieces with rock'n'roll inspiration, sexier, and for a younger audience at a more affordable price. What this strategy is doing is deviating the clients from Yves Saint Laurent (Kering group), to the LVMH group.	To find the right balance between loosing sales and create the right amount of desirability. Brands don't want to lose opportunities, but also don't want to make the clients frustrated by the difficulty of having access to the products.	In the fine jewelry industry, this balance is almost nonexistent because the products are rare, and each sale has high economic value. In this industry the growth is based on the emotion, experience and client relationship. // About the watches industry growth, the product rarity is more related to the technical procedures and raw-materials. // In this case in order to leverage growth, the brands increase their prices. They increase their prices every year, based on the same models and therefore they make more because they sell most of their stock. // Most luxury brands are increasing their prices every year, and none are decreasing the price in any of their categories. This means the products will become less and less accessible for middle-range classes, becoming more exclusive and therefore it becomes more desirable but this type of consumers won't be able to afford them. The main luxury houses don't make any sales or promotions. Dior makes some sales from time to time, but only on seasonal products, not core iconic products, majority in the ready-to-wear and shoes categories. // In fashion, a multi-categories business, it is important to balance the profitability of the different categories. Ready-to-wear is an important category, but the most profitable one is accessories. And you need to sell volume to make businesses. One category's desirability is supporting the growth of another. Ready-to-wear and Haute-Couture exclusiveness and limited production, allows for the accessories categories to sell in higher volume. The collections by Kim Jones in Dior are unisex. Women buy Dior Homme, Men buy Dior Homme. This allows the brand to distribute the product to a wider audience in order to generate growth. // In this industry the growth is based on the emotion, experience and client relationship.	The first line of growth for the brand is the network- what represents the brand physically, including the mono brand stores and the wholesale stores. In 2019 Cartier had around 300 mono brand stores globally and the strategy for the following years intends to raise its number of stores. The brand aims to decrease the number of stores globally to below 300, both mono brand and retail. In the 70's, 80's, when luxury had a consumption increase, the brand opened a high number of stores worldwide, as the mindset was to "the higher the number of stores, the higher the profit." As time went by, the brand found itself with stores that were not relevant and with the Cartier codes and image compromised. The objective of this strategy of growth is to increase the sense of exclusivity, and make sure all the stores are relevant and truly represent the brand identity. Moreover, increase the control of service quality and that the brand image is kept at its standards. For example, the fact that in Portugal, the only physical mono brand store is in Lisbon, makes the costumers that don't live in Lisbon to do an extra effort to go to the store, increase its desirability for the brand. Still is this line of growth, Cartier will renew the boutiques worldwide. The purpose is to change the classic and conservative decoration. Each boutique should include an innovative, contemporary environment, include more digital tools and provide more elements of experience to the clients. Moreover, adequate each boutique to the country's culture. In the 80's, the decoration was exactly the same in every single boutique, making a boutique in China being almost the same as a store in Paris. In order for the clients to recognize they were buying from the actual brand, and not from a counterfeit, the decoration was homologous. What is being done now is to do the decoration and aesthetics of the store in accordance with the local spirit and culture. The objective is to have unique, cultural-based and exciting boutiques all around the world. To live a different experience of the same brand interpreted by the local richness. The second line of growth is client oriented. The objective is to improve and perfectionate the client journey in all the channels, making sure to control and excel at all the clients' touch points with the brand. First is to improve the experience of the client at the store: are we in line with the retail trends and costumers' expectations? Second, the image passed in the media of the brand: is it the wished for? Third, is the digital: what are we communicating? How is the interaction with our clients? The client is in the center, and all the touchpoints should be controlled, analyzed and improved if	6

						<p>needed!</p> <p>The brand needs to rejuvenate, increase the sense of exclusivity and make each client feel extra special. The third line of growth is to improve the flexibility of the brand. The ability to answer the clients' needs and trends the fastest way possible: how is the brand answering to the increase of demand? Effectiveness and speed of idea execution- how long it takes the brand to have an idea, until delivering the final product to the client. The brand aims to be the most reactive possible to the market trends and economy environment. // The strategy to open stores was also to increase the geographic coverage of the brand. However, by closing stores Cartier makes customers feel a healthy frustration to find the products, that increases the aspiration and dream to have them, and at the end the desirability for the products. By closing stores, the brand finds more funds necessary to renew the boutiques.</p>	
Heritage and history	Loewe is an old brand, my grandmother used to buy	Second, as retailers, is the luxury product knowledge (2) and the way this knowledge is transmitted by Managers to the sales associates, and after how the brand heritage and history is conveyed to the clients.	Lastly, since Dior is a couture house the ready-to-wear is very important, the DNA of the brand is in the haute-couture. Everything sold at the store in the moment wasn't available when Christian Dior was alive, so as a couture house it is crucial to maintain the elegance and chic distinctiveness- this is made with the focus on the ready-to-wear at the boutiques, and the cross-selling- boutiques cannot sell gowns without suggesting the pumps. This secures the business in terms of wealthy growth/ Dior is super rich in terms of heritage, dream and impact on social media. // Pampering to consumers' wishes: in uber luxury, we are very strict in what we propose to the client, it is designed by the brand and follows the brand's identity, heritage and DNA. In the haute-maroquinerie clients can choose the color, material and charms of the bag, but they cannot change the bag itself, for e.g. they cannot take the lucky charms from the Lady Dior bag.		IWC is a watch brand with 151 years based on craftsmanship, luxury and complications, knowledge and technicality. 52 boutiques owned by the brand, and the rest are authorized retailers. Brand value of 700 millions of euros.	Due to its high levels of heritage and brand history (170 years), Cartier's quality and prestige is known by the general audience. // Cartier offers the possibility of creation or co-creation of productions with clients. However, is a long, strict, demanding and expensive process. The products are created respecting the codes, quality norms and aesthetics of the brand. No infinite budget buys a product that doesn't follow the strict aesthetics and DNA of the brand.	5
heritage of craftsmanship	Loewe, it is associated to an incredible quality. // On the other hand, local clients that have known the brand for years, come to us for the quality of product and service. // The tan color is associated to premium quality and naturality and is used throughout the leather goods and clothing lines to evoke in the consumer's minds the premium quality and craftsmanship that is present in the product. Our handbags bestsellers are always in the tan color.	Second, as retailers, is the luxury product knowledge (2) and the way this knowledge is transmitted by Managers to the sales associates, and after how the brand heritage and history is conveyed to the clients.	Lastly, since Dior is a couture house the ready-to-wear is very important, the DNA of the brand is in the haute-couture. Everything sold at the store in the moment wasn't available when Christian Dior was alive, so as a couture house it is crucial to maintain the elegance and chic distinctiveness- this is made with the focus on the ready-to-wear at the boutiques, and the cross-selling- boutiques cannot sell gowns without suggesting the pumps. This secures the business in terms of wealthy growth.	The number of hours that takes to create a product and the number of pieces available in Europe and middle east to give them an idea of the exclusivity of the product.		The Cartier has a unique savoir-faire. All the production uses exquisite artisanal technique and craftsmanship. There is also various levels of quality testing throughout the production process: Genève seal. All these gives the customers, the guarantee of the best quality.	5
original designer			Everything sold at the store in the moment wasn't available when Christian Dior was alive, so as a couture house it is crucial to maintain the elegance and chic distinctiveness- this is made with the focus on the ready-to-wear at the boutiques, and the cross-selling- boutiques cannot sell gowns without suggesting the pumps.				1
premium quality	Loewe, it is associated to an incredible quality. // Even with the growth of the brand, we kept the quality above all. The number of replacements is super low.	The key aspects to such a sale like this are: explain the craftsmanship and quality of raw-materials included, the creativity of the product and the exclusivity of the product.	These events create new experiences for these very top clients and to offer them very high quality/exclusive/price products. //		Even in perfumes and cosmetics the brand has ranges of quality, price and exclusiveness within the categories, some offering ultra-luxurious products. For example, in Dior you have the classic cosmetics collections and then the collection privé that can cost up to 3 times more than the classic collections. They remove the cannibalization effect, and target different clients with the different ranges. So even in accessible categories, elite clients can have access to premium products.	Cartier works with precious materials and fine stones that are by definition rare and scarce (1). Also, make sure the location where the materials are retrieved from is (2) save, follows ethical procedures and is the best place to find that specific material. Moreover, the (3) multi quality control steps present along the production process. The brand (2) doesn't work with any "conflict diamonds" and is part of the Kimberly process that ensures the brand client, the full ethnicity of their raw-materials and production process. 6 months ago, Cartier stopped using a specific stone that was supplied in Afghanistan due to all the war conflicts existing in the country. These are the major limitations in terms of the Cartier production. // Due to its high levels of heritage and brand history (170 years), Cartier's quality and prestige is known by the general audience.	5
limited production	Moreover, we have capsule collections (e.g. The Dumbo Collection) that surge in lowest times of the year to engage with the clients and create a sense of exclusivity.	(Limited edition of a piton bag only 5 pieces in the UK available) The idea we transmit to the client when we send them a text message informing about this limited edition is: The brand chose YOU to be the first one to have access to such an exclusive product. It is important not to be pushy, but to be transparent and show the client that if he/she doesn't want the product, the sales assistant will move to the next person potentially interested. The key aspects to such a sale like this are: explain the craftsmanship and quality of raw-materials included, the creativity of the product and the exclusivity of the product.// When a collection is launched, the limited production allows the brand to create waiting-lists for the products. This waiting-list allows the brand to expand and manage its data-base of clients, and create desirability. In this window of time (from the fashion-show until receiving the products at the store), the clients show loyalty and patience.	In the shopping experience- every time the brand launches a product they know will be trending and successful, the amount ordered is never enough to fulfill the demand. Even if they know they will need more and could sell more, in order to create rarity. Moreover, to create the idea that is a privilege to know before the other, and the official launch- to be the first ones to have the product. In terms of brand, and financial impact, it allows the brand to sell all the stock before it arrives to the store. // On the totally opposite side, the middle eastern clients, look for something totally different and exclusive. So if for example the sales assistant shows them something they have seen in the middle eastern stores, they won't purchase it. Limited editions are their favorite and most wanted products for purchase.	The limited production due to raw-materials (exotic leather, furs) scarcity create the physical rarity.	One category's desirability is supporting the growth of another. Ready-to-wear and Haute-Couture exclusiveness and limited production, allows for the accessories categories to sell in higher volume.	Within the client base there is a categorization made. The most loyal clients have privilege access to certain products, being offered the possibility of obtaining the products before anyone else. In the same way, the creation of limited editions (watches and jewelry) and correspondent privilege access to it, form a highly exclusive product portfolio access and treatment. The high end watch products is reserved to only a few number of clients, due to raw-materials rarity, unique technical procedures sometimes non reproducible, and to give priority to the most loyal clients.	6
customer waiting list	capsule collections (e.g. The Dumbo Collection) that surge in lowest times of the year to engage with the clients and create a sense of exclusivity. This sense is promoted by social media, selection distribution (only 5 stores all over the	When a collection is launched, the limited production allows the brand to create waiting-lists for the products. This waiting-list allows the brand to expand and manage its data-base of clients, and create desirability. In this window of time (from the fashion-show until receiving the products at	So, we launch the bag, we pre-sold everything already, we know it, and then the new customers that want the product we say "madam, I'm sorry we are sold-out", and most would answer "Oh no! But it was just launched!" and the sales assistant would answer "Yes, but we give priority to our loyal customers first in product launches. Would you like me to contact you next time?". You take the details, you recruit a new client. // Showing the customers that celebrities/influencers can have access to it, loyal customers	Dior also creates rarity in more affordable products to induce desirability: 4 years ago, the production of the Tribal Earrings was reduced as a strategy to create a waiting-list. The collaboration between Kim	Watches are connected to the emotional side. Rolex doesn't limit the production, however they are not available, and so the brand creates waiting-lists and the sense of exclusivity. Products become very desirable due to the communication made by the brand, by social media, brand ambassadors. Increasing as well, the brand awareness.		5

	world had the collection), and waiting list.	the store), the clients show loyalty and patience.	can have it, but they can't. They need to start engaging with the brand if next time they want to be one of the lucky ones to have it.	Jones and Nike waiting list had clients willing to pay up to 10.000 pounds for a pair of sneakers, due to their exclusivity and popularity			
Recognizable style/design			The new clientele is young, and wants to shop at Dior to show they have Dior products. This kind of customers are going more to the branding type of items: J'Adior, Bags with Dior written. // The oblique print is very successful, because you cannot miss it is Dior. Also, the saddle bag was super successful because in terms of shape, is completely different to what you may find in the other luxury bags, or even in the Dior bags portfolio (Lady Dior). So, it is a piece that most consumers can identify as Dior, and as a luxury product. // However, they are attracted for hot and trendy products because these are recognizable as luxury by the general audience.	Since 2016 when the Mate Laser print was launched, it became an iconic brand pattern and clients were very attracted to products with this leather because it was a statement piece. It was a big source of clients because it was a type of product clients would buy to signal status, since it was easy recognizable as a luxury product.			2
Personality of creator mirrored			Lastly, since Dior is a couture house the ready-to-wear is very important, the DNA of the brand is in the haute-couture. Everything sold at the store in the moment wasn't available when Christian Dior was alive, so as a couture house it is crucial to maintain the elegance and chic distinctiveness- this is made with the focus on the ready-to-wear at the boutiques, and the cross-selling- boutiques cannot sell gowns without suggesting the pumps.				1
Association with country of origin	All bags are produced in Spain - association of country of origin's quality						1
Omnichanneling			The social media works hand-in-hand with these store launch events. For example, in the day of the launch of the Saddle bag or 30 Montaigne, on the day of the launch Dior contacted 100 of the biggest influencers worldwide to post a picture with the bag (highest profit margin products) at the same time. Creating a huge desire to get the bag, but then when the customers went to store, they would find the bag sold-out. Showing the customers that celebrities/influencers can have access to it, loyal customers can have it, but they can't. They need to start engaging with the brand if next time they want to be one of the lucky ones to have it. // The marketing department is important to make sure the brand is knowing for all types of consumers, and that the strategy is aligned in the boutiques and social media.		360 Activation: the product itself, activated through trends, PR, media // Which brand ambassadors are chosen for each categories, engagement in long term visions, and the rarity and accessibility of each product. // first are the retail stores activations located all around the world, the brand gets a certain visibility, exposure and awareness around the world. Second the marketing strategy every year have a specific focus in the new collection, which is the launch of the collection that is connected to that year's theme (sailing, aviation, etc). In 2019 a Pilot Academy called Split Fire from 1946 made a tour around the world sponsored by IWC, and each stop had high meditation. The collection was based on aviation, worn by the captain during the world tour and called Splitfire. This activates the brand emotionally, through the connections the customers have with the brand ambassadors, what they have conquered and what they represent. Third is the client development that is divided in two fronts: acquisition and retention. The acquisition is the new clients that have never purchased the brand and are converting into customers with the probability of creating a relationship with the brand. Generated primarily from boutique foot floor. Retention is the capability of turning the customers even more loyal to the brand. Based on this CRM (Customer Relationship Management) strategy, you make a growth. What makes clients interested in the brand? Social media, and affiliation to specific causes (e.g. LVMH producing hand sanitizer) In particular situations like now, brands have no foot floor, and so brands need to rely on the retention clients and be sure the CDM and CRM of the highest attention and maintenance. (360 activation) Second the marketing strategy ==> every year have a specific focus in the new collection, which is the launch of the collection that is connected to that year's theme (sailing, aviation, etc). In 2019 a Pilot Academy called Split Fire from 1946 made a tour around the world sponsored by IWC, and each stop had high meditation. The collection was based on aviation, worn by the captain during the world tour and called Splitfire. This activates the brand emotionally, through the connections the customers have with the brand ambassadors, what they have conquered and what they represent.	The second line of growth is client oriented. The objective is to improve and perfectionate the client journey in all the channels, making sure to control and excel at all the clients' touch points with the brand. First is to improve the experience of the client at the store: are we in line with the retail trends and customers' expectations? Second, the image passed in the media of the brand: is it the one we wished for? Third, is the digital: what are we communicating? How is the interaction with our clients? The client is in the center, and all the touchpoints should be controlled, analyzed and improved if needed! The brand needs to rejuvenate, increase the sense of exclusivity and make each client feel extra special.	3
Marketing program	Brands are engaging more than ever into showing the meticulous and extraordinary craftsmanship that goes into production: Balloon Bag, Loewe. // Defines the brand strategy. Manages the value of each product and the brand at the end. It is really easy to kill a product, for e.g. if a product is a bestseller for 5 years shows low versatility and variety from the brand.	The marketing department is important to a certain extent. It is important not to overdo it.	The social media works hand-in-hand with these store launch events. For example, in the day of the launch of the Saddle bag or 30 Montaigne, on the day of the launch Dior contacted 100 of the biggest influencers worldwide to post a picture with the bag (highest profit margin products) at the same time. Creating a huge desire to get the bag, but then when the customers went to store, they would find the bag sold-out. Showing the customers that celebrities/influencers can have access to it, loyal customers can have it, but they can't. They need to start engaging with the brand if next time they want to be one of the lucky ones to have it. // The marketing department is important to make sure the brand is knowing for all types of consumers, and that the strategy is aligned in the boutiques and social media.	Miu Miu uses Instagram and big fashion personalities to appeal the masses (e.g. Join the Miu Miu gang). // Brands with higher product and design variations are more marketing dependent than brands like Hermès that follow a straight design line. In a second everything can change: D&G China Campaign had an incredibly negative backlash from the Chinese that obliged the brand to cancel all the events and fashion shows in China at that time.			6
Selected distribution	capsule collections (e.g. The Dumbo Collection) that surge in lowest times of the year to engage with the clients and create a sense of exclusivity. This sense is promoted by social media, selection distribution (only 5 stores all over the world had the collection), and waiting list.	(Limited edition of a python bag only 5 pieces in the UK available) The idea we transmit to the client when we send them a text message informing about this limited edition is: The brand chose YOU to be the first one to have access to such an exclusive product. It is important not to be pushy, but to be transparent and show the client that if he/she doesn't want the product, the sale assistant will move to the next person potentially interested. The key aspects to such a sale like this are: explain the craftsmanship and quality of raw-materials included, the creativity of the product and the exclusivity of the product.	Create pop-up stores with inspired collections. Dioriviera Capsule Collection: every year available in selected stores (south of France, Italy), has an holiday theme. Even if loyal customers want this collection in London, it isn't possible to sell to them (no transfers allowed), they need to buy it at the selected distribution stores. Quantities are kept quite low, but at the same time, create the rarity and exclusivity. Moreover, the collection's waves give novelty.		Roxef doesn't has limited production but has limited distribution (1.000.000 watches sold a year) because if all the stock was released it would make a huge amount of growth but the brand would lose desirability very quickly. On the contrary Patek Philipp only produces 43.000 watches a year, making it a desirable brand due to its high exclusivity level. In this case in order to leverage growth, the brands increase their prices. They increase their prices every year, based on the same models and therefore they make more because they sell most of their stock.		4
premium pricing	The truth is that we don't sell a basic need, no one needs a 2000€ handbag.		These events create new experiences for these very top clients and to offer them very high quality/exclusive/price products. // Haute-couture pieces can start from 20k/30k (trousers or a top), 50k&60k (jacket), 60k/70k/80k (dress), wedding dresses start in 100k and have no price limit. The last one sold in the NBS costed 300k. // With the fashion show haute-couture pieces clients can also request total exclusivity of the piece, but in that case they will have to pay a higher price for it.		In this case in order to leverage growth, the brands increase their prices. They increase their prices every year, based on the same models and therefore they make more because they sell most of their stock. // Most luxury brands are increasing their prices every year, and none are decreasing the price in any of their categories. This means the products will become less and less accessible for middle-range classes, becoming more exclusive and therefore it becomes more desirable but		3

					<p>this type of consumers won't be able to afford them. The main luxury houses don't make any sales or promotions. Dior makes some sales from time to time, but only on seasonal products, not core iconic products, majority in the ready-to-wear and shoes categories. // In the fine jewelry industry, this balance is almost nonexistent because the products are rare, and each sale has high economic value. // From this emerges the 2nd hand market, where some products can reach higher prices than in store, showing how desirability and aspiration for a product can make consumers' price sensibility so low. These products have no distribution and have highly emotional values due to their exclusiveness and years. Brands don't act in this market because they understand that the brand value is not in risk, it can even increase the emotional connection of consumers with the brand.</p>			
online sales		<p>I have an exercise with my team where I time how long they can sell me a pair of shoes without talking about the pair of shoes. On average they last 30 seconds. It is all about the way the product is sold, and how the sales associates can connect with the customer with their personality and engagement. The human side is the rarity of luxury today. The only tool to succeed is to sell something beyond the product. That is why, I am not too sure about the online channels because it is completely impossible to compare the experience of buying online or at the store.</p>	<p>Sales assistants sometimes find young clients a little bit lost, and in need for some guidance. The clients know they want to purchase a Dior product, but they don't know how to invest. This clients will choose the retail experience, rather than the online.</p>	<p>The channels where you can buy luxury items is critical for the brand dream management. In store, this dream is nourished, but the online channel had an impact on the brand dream.</p>	<p>The time the clients spend in store allows them to be discovered by the sales assistant: their hobbies in life, what they do, and what they like in order to understand their lifestyle, and from that knowledge be able to create a memorable experience for the customer. These experiences make the customers loyal and addicted to the retail experience, and not so much attracted by the online channel.</p>	4		
retail experience	<p>The way the product is presented needs to make the client dream of having it.</p>	<p>Second, as retailers, is the luxury product knowledge (2) and the way this knowledge is transmitted by Managers to the sales associates, and after how the brand heritage and history is conveyed to the clients. // When you go Apple? Do they sell you the iPhone? Never! When you go to Chanel to they sell you the bag characteristics? No! Nowadays, it is all about the shopping experience. When a customer comes to the store, the sales associates sell the experience of belonging to the brand. They sell you a lifestyle. It is necessary to engage on a personal level and know the customer. Whether at the end, the customer buys or not a product, they will always remember the experience, the Sales Associate that was with them, and the way him/her followed-up with them. // I have an exercise with my team where I time how long they can sell me a pair of shoes without talking about the pair of shoes. On average they last 30 seconds. It is all about the way the product is sold, and how the sales associates can connect with the customer with their personality and engagement. The human side is the rarity of luxury today. The only tool to succeed is to sell something beyond the product. That is why, I am not too sure about the online channels because it is completely impossible to compare the experience of buying online or at the store.</p>	<p>For the LVMH group, the customer experience is one of the most valuable assets. In this group from the sale assistant to the manager, everyone must have the same mindset. // On the opposite side, in Dior all the sales assistants are encouraged to deliver the best experience at store to every single client: from the one who buys an earring to a crocodile bag. // We don't want people to feel scared or uncomfortable to come in Dior, a strategy that most competitors are doing. Dior wants to deliver a welcoming service, connecting emotionally with the consumers, making them feel at home. Some clients when entering the store, we already know what they would like to drink, where they would like to try-on the clothes, who they would like to be assisted by, etc... // The European clients, prefer to frequent more the NBS store. Europeans like the street shopping experience. In contrast with the Asian and middle eastern that prefer department stores like Harrods or Selfridges. European clients prefer items more discrete (not branding), elegant, chic and timeless rather than the hot pieces and latest trends. // The clients know they want to purchase a Dior product, but they don't know how to invest. These clients will choose the retail experience, rather than the online.</p>	<p>The number of hours that takes to create a product and the number of pieces available in Europe and middle east to give them an idea of the exclusivity of the product. Moreover, to be even more specific, the sale assistant can explain the type of leather and how long it takes to produce the raw-materials. Can also mention a celebrity or influencer that has used the product to emphasize the privilege of owning such an item.</p>	<p>The time the clients spend in store allows them to be discovered by the sales assistant: their hobbies in life, what they do, and what they like in order to understand their lifestyle, and from that knowledge be able to create a memorable experience for the customer. These experiences make the customers loyal and addicted to the retail experience, and not so much attracted by the online channel. // (360 activation) : first are the retail stores activations located all around the world, the brand gets a certain visibility, exposure and awareness around the world. // In this industry the growth is based on the emotion, experience and client relationship. // Brands are more and more interesting about the consumers' opinions. Brands are engaging with a lot of resources in order to develop and nourish the teams that contact directly with the clients. Luxury brands want to understand why some consumers may not be satisfied on their experience with their brand, and change that.</p>	<p>The brand aims to decrease the number of stores globally to below 300, both mono brand and retail. In the 70's, 80's, when luxury had a consumption increase, the brand opened a high number of stores worldwide, as the mindset was "the higher the number of stores, the higher the profit." As time went by, the brand found itself with stores that were not relevant and with the Cartier codes and image compromised. The objective of this strategy of growth is to increase the sense of exclusivity, and make sure all the stores are relevant and truly represent the brand identity. Moreover, increase the control of service quality and that the brand image is kept at its standards. For example, the fact that in Portugal, the only physical mono brand store is in Lisbon, makes the customers that don't live in Lisbon to do an extra effort to go to the store, increasing its desirability for the brand. Still is this line of growth, Cartier will renew the boutiques worldwide. The purpose is to change the classic and conservative decoration. Each boutique should include an innovative, contemporary environment, include more digital tools and provide more elements of experience to the clients. Moreover, adequate each boutique to the country's culture. In the 80's, the decoration was exactly the same in every single boutique, making a boutique in China being almost the same as a store in Paris. In order for the clients to recognize they were buying from the actual brand, and not from a counterfeit, the decoration was homologous. What is being done now is to do the decoration and aesthetics of the store in accordance with the local spirit, and culture. The objective is to have unique, cultural-based and exciting boutiques all around the world. To live a different experience of the same brand interpreted by the local richness.</p>	6	
digital channels	<p>Brands are engaging more than ever into showing the meticulous and extraordinary craftsmanship that goes into production: Balloon Bag, Loewe.</p>	<p>I have an exercise with my team where I time how long they can sell me a pair of shoes without talking about the pair of shoes. On average they last 30 seconds. It is all about the way the product is sold, and how the sales associates can connect with the customer with their personality and engagement. The human side is the rarity of luxury today. The only tool to succeed is to sell something beyond the product. That is why, I am not too sure about the online channels because it is completely impossible to compare the experience of buying online or at the store.</p>		<p>The channels where you can buy luxury items is critical for the brand dream management. In store, this dream is nourished, but the online channel had an impact on the brand dream.</p>		<p>The second line of growth is client oriented. The objective is to improve and perfectionate the client journey in all the channels, making sure to control and excel at all the clients' touch points with the brand.</p>	4	
generation Z		<p>The new generation of clients is super addicted to social media. Once we understand the social media data, and how the clients are affected by the social media actions, we can narrow down the new consumers. Instagram is instrumental to luxury brands.</p>					1	
Millennials	<p>Millennials buy majorly what is trendy at that moment. // In general millennials differentiate from the other consumers because their purchases are thought through: there is previous work and research of the brand that allows them to decide whether or not to enter in a relationship with the brand.</p>	<p>The new generation of clients is super addicted to social media. Once we understand the social media data, and how the clients are affected by the social media actions, we can narrow down the new consumers. Instagram is instrumental to luxury brands.</p>	<p>The new clientele is young, and wants to shop at Dior to show they have Dior products. This kind of customers are going more to the branding type of items: J'Adior, Bags with Dior written. The brand may have something beautiful, with amazing craftsmanship, and high quality, but if there's no branding at all, this type of clients would never purchase an item like this. The oblique print is very successful, because you cannot miss it is Dior. Also, the saddle bag was super successful because in terms of shape, is completely different to what you may find in the other luxury bags, or even in the Dior bags portfolio (Lady Dior). So, it is a piece that most consumers can identify as Dior, and as a luxury product. // Also, it varies between departments. In accessories and shoes departments because the products may be more affordable than the other departments, you may find younger</p>			<p>The fidelity and loyalty to luxury brands is not as high as it is in older or past generations. One of the challenges for luxury brands is to increase the retention rate of these clients. The love for the brand goes beyond the brand quality, enhancing the sense of belonging in the customers that are part of the Cartier family.</p>	4	

			consumers that like the branded products // Sales assistants sometimes find young clients a little bit lost, and in need for some guidance. The clients know they want to purchase a Dior product, but they don't know how to invest. This clients will choose the retail experience, rather than the online. However, they are attracted for hot and trendy products because these are recognizable as luxury by the general audience. Every time sales assistants mention exclusive brand events like Trunkshows, they are really interested and want to be part because they feel like they belong to the fashion world and everything that is dreaming about it. The storytelling behind the products doesn't interests them so much but attending the brand events and the social media engagement that results from that, is something more exciting for them.				
business models		Clients from Qatar or Hong Kong that come for a crocodile bag, is a one-shot sale of £25 000. However, those clients are not contactable afterwards, they probably won't come back for another year. So, local clients are instrumental to sustain your business throughout the year. We have had a lot of investment in regards to the treatment provided for the local clients, for e.g. take them to Ascot in Wimbledon. This investment has been made to increase the potential of having them visiting us throughout the whole year. If you want to reach the targets, this is the whole fashion way of running a business.			In fashion, a multi-categories business, it is important to balance the profitability of the different categories. Ready-to-wear is an important category, but the most profitable one is accessories. And you need to sell volume, to make businesses. // Which brand ambassadors are chosen for each categories, engagement in long term visions, and the rarity and accessibility of each product. // Most luxury brands are increasing their prices every year, and none are decreasing the price in any of their categories. This means the products will become less and less accessible for middle-range classes, becoming more exclusive and therefore it becomes more desirable but this type of consumers won't be able to afford them. The main luxury houses don't make any sales or promotions. Dior makes some sales from time to time, but only on seasonal products, not core iconic products, majority in the ready-to-wear and shoes categories.		2
diverse consumer base	At the moment we have two types of polarized clients. // We have all types of clients: a 20 years-old Asian girl and comes to the store and buys 3 handbags with a total value of 6.000€, but also a 60 years-old local client that thinks twice before taking a 1500€ bag	However, is important not to put the costumers in their cultural bubbles and to really get to know them before, because each client is different and unique.	On the totally opposite side, the middle eastern clients, look for something totally different and exclusive. So if for example the sales assistant shows them something they have seen in the middle eastern stores, they won't purchase it. Limited editions are their favorite and most wanted products for purchase. // The European clients, prefer to frequent more the NBS store. Europeans like the street shopping experience. In contrast with the Asian and middle eastern that prefer department stores like Harrods or Selfridges. European clients prefer items more discrete (not branding), elegant, chic and timeless rather than the hot pieces and latest trends.	Middle Eastern clients often look for items they cannot find in their home countries or that there are the first ones to get, because they want to stand out in their society through exclusivity.		The Asian clients have the identification factor, that makes them be more attracted by the best-selling and trendy products. The resources and investment to target and market the Asian culture is very focused on using opinion leaders and celebrities in their marketing activities. In the European market, the identification also exists but not as intense. Europe is where luxury was invented and so the European consumer is more mature, and consumers go more for their values and personal taste rather than the group trend.	5
purchase power	Locals (Portuguese) do not always have a high purchase power, but they buy lower values throughout time	Clients from Qatar or Hong Kong that come for a crocodile bag, is a one-shot sale of £25 000.	Also, it varies between departments. In accessories and shoes departments because the products may be more affordable than the other departments, you may find younger consumers that like the branded products. Whereas in departments like Ready-to-Wear, you find costumers that buy because they know its Dior and because they have the purchase power to wear Dior products on a daily-basis, for e.g. wear Dior T-shirts (600 pounds).	then you have clients with a certain lifestyle that incorporate the brand in their wardrobe and day-to-day activities. These last also enjoy and value the shopping experience in a different way, also because they have access to an exclusive treatment.	Yes, a 480 pounds t-shirt can be considered affordable, but it is still 480 pounds in a t-shirt. A perishable product that can come out of style. Not everyone, even if they have the money, are willing to pay this price for this item due to the previous reasons. Even if a 20 years old client purchases it and uses it, I don't believe the elite clientele would be affected by this, they would even feel the brand is modern and appeals to younger consumers.		5
ultra-high-net-worth consumers		Clients from Qatar or Hong Kong that come for a crocodile bag, is a one-shot sale of £25 000.	No, I don't believe it affects this type of clients. Sometimes when we show some product that may recall more for the branding side, they state "no, no! that's not for me! That's for the young Chinese! They are rich but they know nothing!" // To implement it, we need to identify the right costumers, and invite them for events exclusive for these services. This events only authorize invited costumers, even if the event is happening at the boutique and one client wants to participate, if it doesn't have an invitation, it doesn't enter.		Cartier offers the possibility of creation or co-creation of productions with clients. However, is a long, strict, demanding and expensive process. The products are created respecting the codes, quality norms and aesthetics of the brand.		3
"entry-to-luxury" products	Locals (Portuguese) do not always have a high purchase power, but they buy lower values throughout time: they want to initiate a relationship with the brand that they want to keep for years if the brand also mirrors their values, beliefs and aesthetics.				In the 90's Cartier launched a collection called "The Must Cartier". This collection was very controversial in the brand's financial crisis years. The collection included pieces at accessible prices with the Cartier aesthetics and logo. Cartier was expelled from the Comité Colbert. This collection allowed to target a different consumer and to reinforce the brand. This type of collections are no longer made due to the danger of becoming accessible and broad, but entry-brand-collections are made in order to initiate the brand's relationship with costumers that don't have the purchase power needed yet, but will have as time passes.		2
rarity of raw-materials	Rarity of Loewe is in the quality of the leather (raw-materials)			In a brand like Dior you have both types of rarity. The limited production due to raw-materials (exotic leather, furs) scarcity created by physical rarity. // Moreover, to be even more specific, the sale assistant can explain the type of leather and how long it takes to produce the raw-materials.	Inaccessibility can come from two things: capacity of production and technical procedures, like the artisans of Tourbillon watches that take up to 10 to 15 of training until ready to make a watch. From this emerges the 2 nd hand market, where some products can reach higher prices than in store, showing how desirability and aspiration for a product can make consumers' price sensibility so low. This products have no distribution and have highly emotional values due to their exclusiveness and years. Brands don't act in this market because they understand... // In fine jewelry the product by itself is already rare. // About the watches industry growth, the product rarity is more related to the technical procedures and raw-materials.	Cartier works with precious materials and fine stones that are by definition rare and scarce (1). Also, make sure the location where the materials are retrieved from is (2) save, follows ethical procedures and is the best place to find that specific material. Moreover, the (3) multi quality control steps present along the production process. The brand (2) doesn't work with any "conflict diamonds" and is part of the Kimberly process that ensures the brand client, the full ethnicity of their raw-materials and production process. 6 months ago, Cartier stopped using a specific stone that was supplied in Afghanistan due to all the war conflicts existing in the country. These are the major limitations in terms of the Cartier production. // Cartier's exclusivity relies on the rarity and scarcity of the raw-materials used, and then the clients who can have access to the pieces created with the precious materials. The production is only limited due to what "nature" offers, and not rarity created by the brand.	4
rarity of technical procedures	All bags are produced in Spain - association of country of origin's quality // We had an event at the store where we invited Loewe clients that owned a Loewe bag, could be a 20 years-old bag, or a bag purchased the week before. They were invited to an event where a specialist would make a hydration to the				Inaccessibility can come from two things: capacity of production and technical procedures, like the artisans of Tourbillon watches that take up to 10 to 15 of training until ready to make a watch. From this emerges the 2 nd hand market, where some products can reach higher prices than in store, showing how desirability and aspiration for a product can make consumers' price sensibility so low. This products have no distribution and have highly emotional values due to	The Cartier has a unique savoir-faire. All the production uses exquisite artisanal technique and craftsmanship. There is also various levels of quality testing throughout the production process: Genève seal. All these gives the costumers, the guarantee of the best quality.	3

	bag: this is a super specific job, including rare products, that only a few people know how to do.				their exclusiveness and years. Brands don't act in this market because they understand ... // About the watches industry growth, the product rarity is more related to the technical procedures and raw-materials.		
rarity of product			Diorivern Capsule Collection: every year available in selected stores (south of France, Italy), has an holiday theme. Even if loyal costumers want this collection in London, it isn't possible to sell to them (no transfers allowed), they need to buy it at the selected distribution stores. Quantities are kept quite low, but at the same time, create the rarity and exclusivity. Moreover, the collection's waves give novelty. // These events create new experiences for these very top clients and to offer them very high quality/exclusive/price products. (uber luxury)		In fine jewelry the product by itself is already rare. // In the fine jewelry industry, this balance is almost nonexistent because the products are rare, and each sale has high economic value.	Cartier offers the possibility of creation or co-creation of productions with clients. However, is a long, strict, demanding and expensive process. The products are created respecting the codes, quality norms and aesthetics of the brand. No infinite budget buys a product that doesn't follow the strict aesthetics and DNA of the brand. // Within the client base there is a categorization made. The most loyal clients have privilege access to certain products, being offered the possibility of obtaining the products before anyone else. In the same way, the creation of limited editions (watches and jewelry) and correspondent privilege access to it, form a highly exclusive product portfolio access and treatment. The high end watch products is reserved to only a few number of clients, due to raw-materials rarity, unique technical procedures sometimes non reproducible, and to give priority to the most loyal clients. // Cartier's exclusivity relies on the rarity and scarcity of the raw-materials used, and then the clients who can have access to the pieces created with the precious materials. The production is only limited due to what "nature" offers, and not rarity created by the brand.	3
rarity of information			The social media works hand-in-hand with these store launch events. For example, in the day of the launch of the Saddle bag or 30 Montaigne, on the day of the launch Dior contacted 100 of the biggest influencers worldwide to post a picture with the bag (highest profit margin products) at the same time. Creating a huge desire to get the bag, but then when the costumers went to store, they would find the bag sold-out. Showing the costumers that celebrities/influencers can have access to it, loyal customers can have it, but they can't. They need to start engaging with the brand if next time they want to be one of the lucky ones to have it.		Which brand ambassadors are chosen for each categories, engagement in long term visions, and the rarity and accessibility of each product.		2
uniqueness			This type of customer doesn't like branding products, they like to wear pieces that are recognizable, not from the general audience, but from this specific niche of clients "club". They don't care if they are in the street and people might think a product is from Zara, they know it is Dior, and their niche as well, and that's all that matters for this clients. // On the totally opposite side, the middle eastern clients, look for something totally different and exclusive. So if for example the sales assistant shows them something they have seen in the middle eastern stores, they won't purchase it. Limited editions are their favorite and most wanted products for purchase. // These events create new experiences for these very top clients and to offer them very high quality/exclusive/price products. (uber luxury)				1
demand			In the shopping experience- every time the brand launches a product they know will be trending and successful, the amount ordered is never enough to fulfill the demand. Even if they know they will need more and could sell more, in order to create rarity. Moreover, to create the idea that is a privilege to know before the other, and the official launch-to be the first ones to have the product. In terms of brand, and financial impact, it allows the brand to sell all the stock before it arrives to the store.		Rolex doesn't has limited production but has limited distribution (1.000.000 watches sold a year) because if all the stock was released it would make a huge amount of growth but the brand would lose desirability very quickly. On the contrary Patek Philipp only produces 43.000 watches a year, making it a desirable brand due to its high exclusivity level.	The third line of growth is to improve the flexibility of the brand. The ability to answer the clients' needs and trends the fastest way possible: how is the brand answering to the increasing of demand? Effectiveness and speed of idea execution- how long it takes the brand to have an idea, until delivering the final product to the client. The brand aims to be the most reactive possible to the market trends and economy environment.	3
scarcity		When a collection is launched, the limited production allows the brand to create waiting-lists for the products. This waiting-list allows the brand to expand and manage its data-base of clients, and create desirability.	In the shopping experience- every time the brand launches a product they know will be trending and successful, the amount ordered is never enough to fulfill the demand. Even if they know they will need more and could sell more, in order to create rarity. Moreover, to create the idea that is a privilege to know before the other, and the official launch-to be the first ones to have the product. In terms of brand, and financial impact, it allows the brand to sell all the stock before it arrives to the store. In order to differentiate the loyal Dior clients from other clients we say "Look, we are going to receive this product (sending authorized product digital content provided by Paris), do you want to see it (sometimes we have access to press samples) before it launches?" This creates excitement towards the product, anticipation and explains clearly that on the day of the launch the piece might be already sold-out. This type of treatment makes the client value his relationship with the brand and the sales assistant, and the precious opportunity of having the product before even launches. So, we launch the bag, we pre-sold everything already, we know it, and then the new costumers that want the product we say "madam, I'm sorry we are sold-out", and most would answer "Oh no! But it was just launched!" and the sales assistant would answer "Yes, but we give priority to our loyal customers first in product launches. Would you like me to contact you next time?". You take the details, you recruit a new client. Whenever we receive the next delivery (2-3 weeks), the loyal clients already enjoyed exclusivity, and then we can sell it in mass. // The social media works hand-in-hand with these store launch events. For example, in the day of the launch of the Saddle bag or 30 Montaigne, on the day of the launch Dior contacted 100 of the biggest influencers worldwide to post a picture with the bag (highest profit margin products) at the same time. Creating a huge desire to get the bag, but then when the costumers went to store, they would find the bag sold-out. Showing the costumers that celebrities/influencers can have access to it, loyal customers can have it, but they can't. They need to start engaging with the brand if next time they want to be one of the lucky ones to have it.	Dior also creates scarcity in more affordable products to induce desirability: 4 years ago, the production of the Tribal Earrings was reduced as a strategy to create a waiting-list. The collaboration between Kim Jones and Nike waiting list had clients willing to pay up to 10.000 pounds for a pair of sneakers, due to their exclusivity and popularity.		3	
conspicuous consumption	. They show a picture of a blogger with the product and that is it.		The new clientele is young, and wants to shop at Dior to show they have Dior products. This kind of customers are going more to the branding type of items: J'Adior, Bags with Dior written. The brand may have something beautiful, with amazing craftsmanship and high quality, but if there's no branding at all, this type of clients would never purchase an item like this. The oblique print is very successful, because you cannot miss it is Dior. Also, the saddle bag was super successful because in terms of shape, is completely different to what you may find in the other luxury bags, or even in the Dior bags portfolio (Lady Dior). So, it is a piece that most consumers	Local clients would save some money to buy statement luxury pieces (more specific leather goods), but then you have clients with a certain lifestyle that incorporate the brand in their wardrobe and day-to-day activities. These last also enjoy and value the shopping		3	

			can identify as Dior, and as a luxury product. // Asian clients, they always want as their friends and family. Sometimes, we have a high number of Asian clients requesting for the same item (100 in average), and then we find that an Asian influencer wore the product for an event, or picture. They don't want necessarily exclusive products, but they want what everyone else has. // Also, it varies between departments. In accessories and shoes departments because the products may be more affordable than the other departments, you may find younger consumers that like the branded products. Whereas in departments like Ready-to-Wear, you find customers that buy because they know its Dior and because they have the purchase power to wear Dior products on a daily-basis, for e.g. wear Dior T-shirts (600 pounds).	experience in a different way, also because they have access to an exclusive treatment.		
Brand's dreams	Clientelling is crucial to enhance the dream, and we do that through the relationships we have with the clients. // All luxury brands sell a dream		Every time sales assistants mention exclusive brand events like Trunk shows, they are really interested and want to be part because they feel like they belong to the fashion world and everything that is dreaming about it. // Dior is super rich in terms of heritage, dream and impact on social media.	The channels where you can buy luxury items is critical for the brand dream management. In store, this dream is nourished, but the online channel had an impact on the brand dream.	This is because first, the clients privacy needs to be respected, second to create and nourish the mystery of belonging to this exclusive group, and thirdly create aspiration and dream towards belonging to this group. // The strategy to open stores was also to increase the geographic coverage of the brand. However, by closing stores Cartier makes customers feel a healthy frustration to find the products, that increases the aspiration and dream to have them, and at the end the desirability for the products. By closing stores, the brand finds more funds necessary to renew the boutiques. // The Cartier iconic products have no price sensitivity. The brand doesn't need to communicate the iconic products as much as the other products, as there are already rooted in the society, and their value is not questionable, just dreamed off.	4
brand awareness			The social media works hand-in-hand with these store launch events. For example, in the day of the launch of the Saddle bag or 30 Montaigne, on the day of the launch Dior contacted 100 of the biggest influencers worldwide to post a picture with the bag (highest profit margin products) at the same time.	The rarity aspect varies a lot in terms of product categories but all of them have one thing in common, the awareness of the brand. The awareness and perception of the brand varies in cultures and countries.	That said, the brand is following a rejuvenation strategy in its social media platforms: increase brand awareness and break taboos in regards to being too conservative and not actual.	3
perception scales - elitism	Some years ago, luxury was just available for the elite social status, and really rich and powerful families. That doesn't happen anymore	Elite clients are elected based on their yearly expenses and are invited to fashion-shows. // If a product is exclusive and rare, the clients need to be reflections of the products. So, every time a sales assistant has some exclusive product he/she will think about those clients.	Then you have more mature and intimate customers. This type of customer doesn't like branding products, they like to wear pieces that are recognizable, not from the general audience, but from this specific niche of clients "club". They don't care if they are in the street and people might think a product is from Zara, they know it is Dior, and their niche as well, and that's all that matters for this clients. Mature in this case doesn't mean older, these clients can have 30 or 40 years old, but belong to a niche society. // No, I don't believe it affects this type of clients. Sometimes when we show some product that may recall more for the branding side, they state "no, no! that's not for me! That's for the young Chinese! They are rich but they know nothing!".			3
prestige		If a product is exclusive and rare, the clients need to be reflections of the products. So, every time a sales assistant has some exclusive product he/she will think about those clients.	Then you have more mature and intimate customers. This type of customer doesn't like branding products, they like to wear pieces that are recognizable, not from the general audience, but from this specific niche of clients "club". They don't care if they are in the street and people might think a product is from Zara, they know it is Dior, and their niche as well, and that's all that matters for this clients. Mature in this case doesn't mean older, these clients can have 30 or 40 years old, but belong to a niche society. // Even in this case, the number of invitations doesn't increase, because this experience needs to be maintained has the ultimate exclusive treatment experience. Loyalty first, always. The relationship between brand-consumer is gradually developed: first boutique events, then outside boutique experience, and the top of the top is the fashion show. // These events create new experiences for these very top clients and to offer them very high quality/exclusive/price products. (uber luxury)		Due to its high levels of heritage and brand history (170 years), Cartier's quality and prestige is known by the general audience	3
Trendy	Asian clients come to the store knowing exactly what they want to buy, and that increased mainly when Jonathan entered the brand as Creative Director. // Even the classic clients buy that brand (Paula Ibiza), because it is fresh and trendy and incorporates the spirit and youthfulness from those years in Spain.		The new clientele is young, and wants to shop at Dior to show they have Dior products. This kind of customers are going more to the branding type of items: J'Adior, Bags with Dior written. The brand may have something beautiful, with amazing craftsmanship, and high quality, but if there's no branding at all, this type of clients would never purchase an item like this. The oblique print is very successful, because you cannot miss it is Dior. Also, the saddle bag was super successful because in terms of shape, is completely different to what you may find in the other luxury bags, or even in the Dior bags portfolio (Lady Dior). So, it is a piece that most consumers can identify as Dior, and as a luxury product.	This is a very fashionable client, but not a commercial one. We don't necessarily share clients with other luxury brands because our brand is very niche and specific. Our brand attracts edgy clients, that want different and statement, are very attached to the brand and find difficult to find these type of pieces somewhere else. The brand doesn't appeal to classic style consumers. // The collaboration between Kim Jones and Nike waiting list had clients willing to pay up to 10.000 pounds for a pair of sneakers, due to their exclusivity and popularity.	The Asian clients have the identification factor, that makes them be more attracted by the best-selling and trendy products. The resources and investment to target and market the Asian culture is very focused on using opinion leaders and celebrities in their marketing activities. // The third line of growth is to improve the flexibility of the brand. The ability to answer the clients' needs and trends the fastest way possible: how is the brand answering to the increase of demand? Effectiveness and speed of idea execution- how long it takes the brand to have an idea, until delivering the final product to the client. The brand aims to be the most reactive possible to the market trends and economy environment.	4
creativity		(1) the creativity of the Maison, Karl Lagerfeld started his unbelievable journey at Chanel in 1983, and Chanel's biggest strength has been the creativity. // . The only way to convey continuously the brand's creativity is to have in our data-base clients that you can always contact and invite for boutique events				1
class & status			Then you have more mature and intimate customers. This type of customer doesn't like branding products, they like to wear pieces that are recognizable, not from the general audience, but from this specific niche of clients "club". They don't care if they are in the street and people might think a product is from Zara, they know it is Dior, and their niche as well, and that's all that matters for this clients. Mature in this case doesn't mean older, these clients can have 30 or 40 years old, but belong to a niche society. // On the totally opposite side, the middle eastern clients, look for something totally different and exclusive. So if for example the sales assistant shows them something they have seen in the middle eastern stores, they won't purchase it. Limited editions are their favorite and most wanted products for purchase.	Local clients would save some money to buy statement luxury pieces (more specific leather goods)	Every watch purchase is highly emotional, because is in general associated to special occasions, and connected to the brand's values. It is important to understand this in order to leverage the sales and desirability. Moreover allows the consumer to differentiate and evoke a certain status.	3

Bandwagon Effect			Asian clients, they always want as their friends and family. Sometimes, we have a high number of Asian clients requesting for the same item (100 in average), and then we find that an Asian influencer wore the product for an event, or picture. They don't want necessarily exclusive products, but they want what everyone else has.			The Asian clients have the identification factor, that makes them be more attracted by the best-selling and trendy products. The resources and investment to target and market the Asian culture is very focused on using opinion leaders and celebrities in their marketing activities.	2
Personal distinctiveness			Then you have more mature and intimate customers. This type of customer doesn't like branding products, they like to wear pieces that are recognizable, not from the general audience, but from this specific niche of clients "club". They don't care if they are in the street and people might think a product is from Zara, they know it is Dior, and their niche as well, and that's all that matters for this clients. Mature in this case doesn't mean older, these clients can have 30 or 40 years old, but belong to a niche society. // These events create new experiences for these very top clients and to offer them very high quality/exclusive/price products. (uber luxury) The new clientele is young, and wants to shop at Dior to show they have Dior products. This kind of customers are going more to the branding type of items: J'Adior, Bags with Dior written. The brand may have something beautiful, with amazing craftsmanship, and high quality, but if there's no branding at all, this type of clients would never purchase an item like this. The oblique print is very successful, because you cannot miss it is Dior. Also, the saddle bag was super successful because in terms of shape, is completely different to what you may find in the other luxury bags, or even in the Dior bags portfolio (Lady Dior). So, it is a piece that most consumers can identify as Dior, and as a luxury product.// This type of customer doesn't like branding products, they like to wear pieces that are recognizable, not from the general audience, but from this specific niche of clients "club". They don't care if they are in the street and people might think a product is from Zara, they know it is Dior, and their niche as well, and that's all that matters for this clients. Mature in this case doesn't mean older, these clients can have 30 or 40 years old, but belong to a niche society. // Also, it varies between departments. In accessories and shoes departments because the products may be more affordable than the other departments, you may find younger consumers that like the branded products. Whereas in departments like Ready-to-Wear, you find customers that buy because they know its Dior and because they have the purchase power to wear Dior products on a daily-basis, for e.g. wear Dior T-shirts (600 pounds).	It was a big source of clients because it was a type of product clients would buy to signal status, since it was easy recognizable as a luxury product.	Every watch purchase is highly emotional, because is in general associated to special occasions, and connected to the brand's values. It is important to understand this in order to leverage the sales and desirability. Moreover allows the consumer to differentiate and evoke a certain status.		3
extension of self			The new clientele is young, and wants to shop at Dior to show they have Dior products. This kind of customers are going more to the branding type of items: J'Adior, Bags with Dior written. The brand may have something beautiful, with amazing craftsmanship, and high quality, but if there's no branding at all, this type of clients would never purchase an item like this. The oblique print is very successful, because you cannot miss it is Dior. Also, the saddle bag was super successful because in terms of shape, is completely different to what you may find in the other luxury bags, or even in the Dior bags portfolio (Lady Dior). So, it is a piece that most consumers can identify as Dior, and as a luxury product.// This type of customer doesn't like branding products, they like to wear pieces that are recognizable, not from the general audience, but from this specific niche of clients "club". They don't care if they are in the street and people might think a product is from Zara, they know it is Dior, and their niche as well, and that's all that matters for this clients. Mature in this case doesn't mean older, these clients can have 30 or 40 years old, but belong to a niche society. // Also, it varies between departments. In accessories and shoes departments because the products may be more affordable than the other departments, you may find younger consumers that like the branded products. Whereas in departments like Ready-to-Wear, you find customers that buy because they know its Dior and because they have the purchase power to wear Dior products on a daily-basis, for e.g. wear Dior T-shirts (600 pounds).		Every watch purchase is highly emotional, because is in general associated to special occasions, and connected to the brand's values. It is important to understand this in order to leverage the sales and desirability. Moreover allows the consumer to differentiate and evoke a certain status.		2
aspiration	Locals do not always have a high purchase power, but they buy lower values throughout time: they want to initiate a relationship with the brand that they want to keep for years if the brand also mirrors their values, beliefs and aesthetics.		The new clientele is young, and wants to shop at Dior to show they have Dior products. This kind of customers are going more to the branding type of items: J'Adior, Bags with Dior written. The brand may have something beautiful, with amazing craftsmanship, and high quality, but if there's no branding at all, this type of clients would never purchase an item like this. The oblique print is very successful, because you cannot miss it is Dior. Also, the saddle bag was super successful because in terms of shape, is completely different to what you may find in the other luxury bags, or even in the Dior bags portfolio (Lady Dior). So, it is a piece that most consumers can identify as Dior, and as a luxury product. // Asian clients, they always want as their friends and family. Sometimes, we have a high number of Asian clients requesting for the same item (100 in average), and then we find that an Asian influencer wore the product for an event, or picture. They don't want necessarily exclusive products, but they want what everyone else has. // Every time sales assistants mention exclusive brand events like Trunk shows, they are really interested and want to be part because they feel like they belong to the fashion world and everything that is dreaming about it. // The social media works hand-in-hand with these store launch events. For example, in the day of the launch of the Saddle bag or 30 Montaigne, on the day of the launch Dior contacted 100 of the biggest influencers worldwide to post a picture with the bag (highest profit margin products) at the same time. Creating a huge desire to get the bag, but then when the customers went to store, they would find the bag sold-out. Showing the customers that celebrities/influencers can have access to it, loyal customers can have it, but they can't. They need to start engaging with the brand if next time they want to be one of the lucky ones to have it. // Even in this case, the number of invitations doesn't increase, because this experience needs to be maintained has the ultimate exclusive treatment experience. Loyalty first, always. The relationship between brand-consumer is gradually developed: first boutique events, then outside boutique experience, and the top of the top is the fashion show.	It was a big source of clients because it was a type of product clients would buy to signal status, since it was easy recognizable as a luxury product. // Can also mention a celebrity or influencer that has used the product to emphasize the privilege of owning such an item.	From this emerges the 2nd hand market, where some products can reach higher prices than in store, showing how desirability and aspiration for a product can make consumers' price sensibility so low. These products have no distribution and have highly emotional values due to their exclusiveness and years. Brands don't act in this market because they understand that the brand value is not in risk, it can even increase the emotional connection of consumers with the brand.	The brand provides to Elite clients exceptional treatment, taking them to visit the ateliers of high end watches, inviting to international events related with the sector, and others. These type of actions are never promoted or diffused in any media channel. This is because first, the clients privacy needs to be respected, second to create and nourish the mystery of belonging to this exclusive group, and thirdly create aspiration and dream towards belonging to this group. // The strategy to open stores was also to increase the geographic coverage of the brand. However, by closing stores Cartier makes customers feel a healthy frustration to find the products, that increases the aspiration and dream to have them, and at the end the desirability for the products. By closing stores, the brand finds more funds necessary to renew the boutiques.	5
brand values	Locals do not always have a high purchase power, but they buy lower values throughout time: they want to initiate a relationship with the brand that they want to keep for years if the brand also mirrors their values, beliefs and aesthetics. In general millennials differentiate from the other consumers because their purchases are thought through: there is previous work and research of the brand that allows them to decide whether or not to enter in a relationship with the brand.				Every watch purchase is highly emotional, because is in general associated to special occasions, and connected to the brand's values. It is important to understand this in order to leverage the sales and desirability. Moreover allows the consumer to differentiate and evoke a certain status.		2
service excellence	I believe that what is crucial nowadays is to understand and know how to deal with all types of clients: have a versatile team // Clientteling is crucial to enhance the dream, and we do that through the relationships we have with the clients.	Knowing the customer needs, the places they like to frequent, and their lifestyle, allows the brand to trigger some little budget from their special occasions: for e.g. in Women's Day or their birthday, because the sales associate knows the client, he/she will invite the customer to have lunch at their favorite restaurant. From then onwards, the client will always come back to the Sales Associate. Moreover, the word-of-mouth from clients to friends is super powerful because clients will feel that the Sales Associates are there for more than just show pretty clothes, and will become naturally loyal to the brand.	On the opposite side, in Dior all the sales assistants are encouraged to deliver the best experience at store to every single client- from the one who buys an earring to a crocodile bag.			The created role of "Boutique Assistant" is the representation of the first contact between the brand and the client in the boutique. He/she will greet the client with a warm welcome and big smile, and further understand the wishes of the client and redirect to the right sales assistant. Moreover, make the client feel comfortable and deliver a personal treatment.	4

sales					The main luxury houses don't make any sales or promotions. Dior makes some sales from time to time, but only on seasonal products, not core iconic products, majorly in the ready-to-wear and shoes categories.		1
inaccessibility			This creation cannot be reproduced for anyone else in the world.		Inaccessibility can come from two things: capacity of production and technical procedures, like the artisans of Tourbillon watches that take up to 10 to 15 of training until ready to make a watch. From this emerges the 2nd hand market, where some products can reach higher prices than in store, showing how desirability and aspiration for a product can make consumers' price sensibility so low. This products have no distribution and have highly emotional values due to their exclusiveness and years. Brands don't act in this market because they understand that the brand value is not in risk, it can even increase the emotional connection of consumers with the brand.		2
brand image	It is a classic brand with a fresh image. // Jonathan repositioned the whole Loewe brand image when entering the brand.		When Maria Grazia Chiuri joined the company made a huge transformation in the creation strategy. Before her joining the brand, the Creative Director would focus mainly on the ready-to-wear design and the rest would be designed by the studio of assistant designers. When Maria entered she wanted to be responsible for the creation and design of the whole product portfolio: from the shoes, to the clothes, to the accessories. This strategy intended for Dior to sell the total look for clients, deliver coherence and distance clients from the attraction to acquire pieces from other brands to complete the looks. Moreover, everything produced would be in line with the collection theme, or to something related to the DNA and identity of Dior. This creates coherence within and between categories, increasing the cross-selling success for the sales assistants. // Pampering to consumers' wishes: in uber luxury, we are very strict in what we propose to the client, it is designed by the brand and follows the brand's identity, heritage and DNA. In the haute-maroquinerie clients can choose the color, material and charms of the bag, but they cannot change the bag itself, for e.g. they cannot take the lucky charms from the Lady Dior bag.			The brand has invested in the rejuvenescence of the brand, the collection Clash is an example of this, and due to that is attracting a younger audience. Clients that look for the trendy products. // Cartier is a feminine, Parisienne, and elegant that offers products for women that appreciates aesthetics, beauty and quality. For men, our brand is an elegant brand for men that knows how to appreciate beautiful, sophisticated and quality watches. The brand is not known for their watches' complications, and techniques. Cartier focuses mainly on the art of aesthetics and the quality of their pieces. // That said, the brand is following a rejuvenation strategy in its social media platforms: increase brand awareness and break taboos in regards to being too conservative and not actual. // Cartier offers the possibility of creation or co-creation of productions with clients. However, is a long, strict, demanding and expensive process. The products are created respecting the codes, quality norms and aesthetics of the brand. No infinite budget buys a product that doesn't follow the strict aesthetics and DNA of the brand. // In the 90's, Cartier launched a collection called "The Must Cartier". This collection was very controversial in the brand's financial crisis years. The collection included pieces at accessible prices with the Cartier aesthetics and logo. Cartier was expelled from the Comité Colbert. This collection allowed to target a different consumer and to reinforce the brand. This type of collections are no longer made due to the danger of becoming to accessible and broad, but entry-brand-collections are made in order to initiate the brand's relationship with costumers that don't have the purchase power needed yet, but will have as time passes.	3
clienttelling	Clienttelling is crucial to enhance the dream, and we do that through the relationships we have with the clients. // Once we create a relationship with them, and understand who they are, and what they buy.	You can always rely in these clients, not in terms of value. Are they contactable? Are they loyal to the brand? It is up to us to maintain a consistent follow-up.	Dior implemented the concept of Uber Luxury. Sales assistants need to identify the "big fish", the richest clients, the ones with no budget limit.				3
Presentation of product	The way the product is presented needs to make the client dream of having it.	Second, as retailers, is the luxury product knowledge (2) and the way this knowledge is transmitted by Managers to the sales associates, and after how the brand heritage and history is conveyed to the clients. // I have an exercise with my team where I time how long they can sell me a pair of shoes without talking about the pair of shoes. On average they last 30 seconds. It is all about the way the product is sold, and how the sales associates can connect with the customer with their personality and engagement. The human side is the rarity of luxury today. The only tool to succeed is to sell something beyond the product. That is why, I am not too sure about the online channels because it is completely impossible to compare the experience of buying online or at the store.		The number of hours that takes to create a product and the number of pieces available in Europe and middle east to give them an idea of the exclusivity of the product. Moreover, to be even more specific, the sale assistant can explain the type of leather and how long it takes to produce the raw-materials. Can also mention a celebrity or influencer that has used the product to emphasize the privilege of owning such an item.			3
purchase trends	Millennials buy majorly what is trendy at that moment.						1
Influence of digital in purchases	Asian clients come to the store knowing exactly what they want to buy, and that increased mainly when Jonathan entered the brand as Creative Director. They show a picture of a blogger with the product and that is it. // In general millennials differentiate from the other consumers because their purchases are thought through: there is previous work and research of the brand that allows them to decide whether or not to enter in a relationship with the brand.	If we understand why they are so interested in social media celebrities, we can find a gap in the market as retailers, to understand how the customers buy. Not the way around. First, it is important to understand how this generation uses Instagram: what do they need, what type of person and products they look for. Afterwards at the store, you use that knowledge to excel the experience of the customer at the store.	Asian clients, they always want as their friends and family. Sometimes, we have a high number of Asian clients requesting for the same item (100 in average), and then we find that an Asian influencer wore the product for an event, or picture. They don't want necessarily exclusive products, but they want what everyone else has.	On the other hand, not iconic products, for e.g. a pair of earrings can also attract these type of clients if they were used by an Asian influencer. // Can also mention a celebrity or influencer that has used the product to emphasize the privilege of owning such an item.	Depends on the industries. In fine jewelry the product by itself is already rare. For this category, clients already go to store with an emotion and intention to buy, in general they don't go just to browse when you know a ring starts on 16 000€.	That said, the brand is following a rejuvenation strategy in its social media platforms: increase brand awareness and break taboos in regards to being too conservative and not actual.	6

Asian Consumers	Asian clients come to the store knowing exactly what they want to buy, and that increased mainly when Jonathan entered the brand as Creative Director. They show a picture of a blogger with the product and that is it. // The millennials differ a lot in terms of cultures. The Asian millennials like art, and are engaged and interested in the way the brand produces, where the raw-materials come from, and etc.	Clients from Qatar or Hong Kong that come for a crocodile bag, is a one-shot sale of £25 000.	Asian clients, they always want as their friends and family. Sometimes, we have a high number of Asian clients requesting for the same item (100 in average), and then we find that an Asian influencer wore the product for an event, or picture. They don't want necessarily exclusive products, but they want what everyone else has.// No, I don't believe it affects this type of clients. Sometimes when we show some product that may recall more for the branding side, they state "no, not that's not for me! That's for the young Chinese! They are rich but they know nothing!".	There key iconic pieces (Saddle Bag, J'Adior shoes) that attract more the Asian clients due to their high popularity and easy recognition. On the other hand, not iconic products, for e.g. a pair of earrings can also attract these type of clients if they were used by an Asian influencer.		The Asian clients have the identification factor, that makes them be more attracted by the best-selling and trendy products. The resources and investment to target and market the Asian culture is very focused on using opinion leaders and celebrities in their marketing activities.	5
Luxury social stratification	Some years ago, luxury was just available for the elite social status, and really rich and powerful families. That doesn't happen anymore						1
Sales Teams Characteristics	I believe that what is crucial nowadays is to understand and know how to deal with all types of clients: have a versatile team, from sales assistants that have been working in luxury for years to show a more reserve and formal approach to serve older clients, but also young girls really dynamic and passionate about fashion to deal with the younger customers (that are increasing and that are very important for you, because they are our future client).	. It is all about the way the product is sold, and how the sales associates can connect with the customer with their personality and engagement. The human side is the rarity of luxury today. The only tool to succeed is to sell something beyond the product.					2
Product's range exclusivity	I believe that it doesn't affect the clientele, because if they want exclusivity they know which products to buy. // Inside the brand you have a range of products that differentiates itself to serve the different types of clients.				Even in perfumes and cosmetics the brand has ranges of quality, price and exclusiveness within the categories, some offering ultra-luxurious products. For example, in Dior you have the classic cosmetics collections and then the collection privé that can cost up to 3 times more than the classic collections. They remove the cannibalization effect, and target different clients with the different ranges. So even in accessible categories, elite clients can have access to premium products.		2
mono brand stores	The millennials differ a lot in terms of cultures. The Asian millennials like art, and are engaged and interested in the way the brand produces, where the raw-materials come from, and etc.	However, is important not to put the customers in their cultural bubbles and to really get to know them before, because each client is different and unique.	Asian clients, they always want as their friends and family. Sometimes, we have a high number of Asian clients requesting for the same item (100 in average), and then we find that an Asian influencer wore the product for an event, or picture. They don't want necessarily exclusive products, but they want what everyone else has. On the totally opposite side, the middle eastern clients, look for something totally different and exclusive. So if for example the sales assistant shows them something they have seen in the middle eastern stores, they won't purchase it. Limited editions are their favorite and most wanted products for purchase. The European clients, prefer to frequent more the NBS store. Europeans like the street shopping experience. In contrast with the Asian and middle eastern that prefer department stores like Harrods or Selfridges. European clients prefer items more discrete (not branding), elegant, chic and timeless rather than the hot pieces and latest trends.	Middle Eastern clients often look for items they cannot find in their home countries or that there are the first ones to get, because they want to stand out in their society through exclusivity. There key iconic pieces (Saddle Bag, J'Adior shoes) that attract more the Asian clients due to their high popularity and easy recognition. On the other hand, not iconic products, for e.g. a pair of earrings can also attract these type of clients if they were used by an Asian influencer.	The rarity aspect varies a lot in terms of product categories but all of them have one thing in common, the awareness of the brand. The awareness and perception of the brand varies in cultures and countries.	The Asian clients have the identification factor, that makes them be more attracted by the best-selling and trendy products. The resources and investment to target and market the Asian culture is very focused on using opinion leaders and celebrities in their marketing activities. In the European market, the identification also exists but not as intense. Europe is where luxury was invented and so the European consumer is more mature, and consumers go more for their values and personal taste rather than the group trend.	6
Consumers engagement with production process	engaged and interested in the way the brand produces, where the raw-materials come from, and etc.					Cartier works with precious materials and fine stones that are by definition rare and scarce (1). Also, make sure the location where the materials are retrieved from is (2) save, follows ethical procedures and is the best place to find that specific material. Moreover, the (3) multi quality control steps present along the production process. The brand (2) doesn't work with any "conflict diamonds" and is part of the Kimberly process that ensures the brand client, the full ethnicity of their raw-materials and production process. 6 months ago, Cartier stopped using a specific stone that was supplied in Afghanistan due to all the war conflicts existing in the country. These are the major limitations in terms of the Cartier production.	2
Sales Team- Customer Relationship	Once we create a relationship with them, and understand who they are, and what they buy.	Knowing the customer needs, the places they like to frequent, and their lifestyle, allows the brand to trigger some little budget from their special occasions: for e.g. in Women's Day or their birthday, because the sales associate knows the client, he/she will invite the customer to have lunch at their favorite restaurant. From then onwards, the client will always come back to the Sales Associate. Moreover, the word-of-mouth from clients to friends is super powerful because clients will feel that the Sales Associates are there for more than just show pretty clothes, and will become naturally loyal to the brand. // If a product is exclusive and rare, the clients need to be reflections of the products. So, every time a sales assistant has some exclusive product he/she will think about those clients. // I have an exercise with my team where I time how long they can sell me a pair of shoes without talking about the pair of shoes. On average they last 30 seconds. It is all about the way the product is sold, and how the sales associates can connect with the customer with their personality and engagement. The human side is the rarity of luxury today. The only tool to succeed is to sell something beyond the product.	In order to differentiate the loyal Dior clients from other clients we say "Look, we are going to receive this product (sending authorized product digital content provided by Paris), do you want to see it (sometimes we have access to press samples) before it launches?" This creates excitement towards the product, anticipation and explains clearly that on the day of the launch the piece might be already sold-out. This type of treatment makes the client value his relationship with the brand and the sales assistant, and the precious opportunity of having the product before even launches.// The relationship between brand-consumer is gradually developed: first boutique events, then outside boutique experience, and the top of the top is the fashion show. // For the LVMH group, the customer experience is one of the most valuable assets.	On the daily-basis we build and nourish our relationships with our clients. The relationships starts in store, then is the follow-up. Once the first follow-up is done, the relationship starts and clients are invited to trunk shows, new product launches. Also, nourish the relationship outside the store experience	The time the clients spend in store allows them to be discovered by the sales assistant: their hobbies in life, what they do, and what they like in order to understand their lifestyle, and from that knowledge be able to create a memorable experience for the customer. These experiences make the customers loyal and addicted to the retail experience, and not so much attracted by the online channel. // Brands are more and more interesting about the consumers' opinions. Brands are engaging with a lot of resources in order to develop and nourish the teams that contact directly with the clients. Luxury brands want to understand why some consumers may not be satisfied on their experience with their brand, and change that.	The created role of "Boutique Assistant" is the representation of the first contact between the brand and the client in the boutique. He/she will greet the client with a warm welcome and big smile, and further understand the wishes of the client and redirect to the right sales assistant. Moreover, make the client feel comfortable and deliver a personal treatment.	6

Personalization of Service	Once we create a relationship with them, and understand who they are, and what they buy. // the clientele work is at finding the pieces that best suit each client, and present those to them, not the whole collection.	American clients are super open, they like to be treated like Kings and Queens. However, is important not to put the customers in their cultural bubbles and to really get to know them before, because each client is different and unique.	We don't want people to feel scared or uncomfortable to come in Dior, a strategy that most competitors are doing. Dior wants to deliver a welcoming service, connecting emotionally with the consumers, making them feel at home. Some clients when entering the store, we already know what they would like to drink, where they would like to try-on the clothes, who they would like to be assisted by, etc...	but then you have clients with a certain lifestyle that incorporate the brand in their wardrobe and day-to-day activities. These last also enjoy and value the shopping experience in a different way, also because they have access to an exclusive treatment. // Also, nourish the relationship outside the store experience: take the clients for lunch, send flowers, invite them to art exhibitions, in order to create a sense of belonging.	The created role of "Boutique Assistant" is the representation of the first contact between the brand and the client in the boutique. He/she will greet the client with a warm welcome and big smile, and further understand the wishes of the client and redirect to the right sales assistant. Moreover, make the client feel comfortable and deliver a personal treatment.	5	
Brand-Customer Relationship	There is previous work and research of the brand that allows them to decide whether or not to enter in a relationship with the brand. // Brands need to be closer to the customers.		In order to differentiate the loyal Dior clients from other clients we say "Look, we are going to receive this product (sending authorized product digital content provided by Paris), do you want to see it (sometimes we have access to press samples) before it launches?" This creates excitement towards the product, anticipation and explains clearly that on the day of the launch the piece might be already sold-out. This type of treatment makes the client value his relationship with the brand and the sales assistant, and the precious opportunity of having the product before even launches.// The relationship between brand-consumer is gradually developed: first boutique events, then outside boutique experience, and the top of the top is the fashion show. // For the LVMH group, the customer experience is one of the most valuable assets.	but then you have clients with a certain lifestyle that incorporate the brand in their wardrobe and day-to-day activities. These last also enjoy and value the shopping experience in a different way, also because they have access to an exclusive treatment.	Brands are more and more interesting about the consumers' opinions. Brands are engaging with a lot of resources in order to develop and nourish the teams that contact directly with the clients. Luxury brands want to understand why some consumers may not be satisfied on their experience with their brand, and change that. // Brands are more and more interesting about the consumers' opinions. Brands are engaging with a lot of resources in order to develop and nourish the teams that contact directly with the clients. Luxury brands want to understand why some consumers may not be satisfied on their experience with their brand, and change that.	4	
Exclusivity of Events	We had an event at the store where we invited Loewe clients that owned a Loewe bag, could be a 20 years-old bag, or a bag purchased the week before. They were invited to an event where a specialist would make a hydration to the bag this is a super specific job, including rare products, that only a few people know how to do. This enables the client to feel that they belong to an exclusive club, with access to an exclusive and special treatment. // elite clients have other type of treatment: access to fashion shows, lunch with store managers.	The only way to convey continuously the brand's creativity is to have in our data-base clients that you can always contact and invite for boutique events.//So, local clients are instrumental to sustain your business throughout the year. We have had a lot of investment in regards to the treatment provided for the local clients, for e.g. take them to Ascot in Wimbledon. This investment has been made to increase the potential of having them visiting us throughout the whole year. If you want to reach the targets, this is the whole fashion way of running a business.	Each boutique has more or less 1 or 2 in the fashion shows. However, boutiques have in general more than 2 consumers that would be willing to buy the collection straight away. Even in this case, the number of invitations doesn't increase, because this experience needs to be maintained has the ultimate exclusive treatment experience. Loyalty first, always. The relationship between brand-consumer is gradually developed: first boutique events, then outside boutique experience, and the top of the top is the fashion show. // Villa Dior event: Dior bought a private hotel in Paris where clients have access and experience all these difference categories of uber luxury. The clients make an initial investment before going to Villa Dior, but then they have access to see all the pieces from the different categories that the brand offers as uber luxury. In order to centralize all the stock (and not having a Chinese client interested in a piece that is in London), the Villa Dior is travelling with all the stock from one country to another, maximizing each event. It goes from Paris, to Moscow, to China, and others. How are customers selected for this? This is where the sales assistants job is super important. Their knowledge of the customers is their best asset. Pampering to consumers' wishes: in uber luxury, we are very strict in what we propose to the client, it is designed by the brand and follows the brand's identity, heritage and DNA. In the haute-maroquinerie clients can choose the color, material and charms of the bag, but they cannot change the bag itself, for e.g. they cannot take the lucky charms from the Lady Dior bag. // RE-SEE orders: The day after the fashion show, Dior has a showroom in Paris where it presents samples (no sizing or trying on) of the fashion show, for the selected clients to see. The clients will select looks and pieces they would like to buy paying a 50% deposit. This ensures the clients they will have those pieces, and they will be the ones to receive them. // Even in this case, the number of invitations doesn't increase, because this experience needs to be maintained has the ultimate exclusive treatment experience. Loyalty first, always. The relationship between brand-consumer is gradually developed: first boutique events, then outside boutique experience, and the top of the top is the fashion show. // To implement it, we need to identify the right customers, and invite them for events exclusive for these services. This events only authorize invited customers, even if the event is happening at the boutique and one client wants to participate, if it doesn't have an invitation, it doesn't enter.	Also, nourish the relationship outside the store experience: take the clients for lunch, send flowers, invite them to art exhibitions, in order to create a sense of belonging. This is essential to generate appointments and increase foot floor.	The brand provides to Elite clients exceptional treatment, taking them to visit the ateliers of high end watches, inviting to international events related with the sector, and others. These type of actions are never promoted or diffused in any media channel. This is because first, the clients privacy needs to be respected, second to create and nourish the mystery of belonging to this exclusive group, and thirdly create aspiration and dream towards belonging to this group.	5	
Sense of Belonging	We had an event at the store where we invited Loewe clients that owned a Loewe bag, could be a 20 years-old bag, or a bag purchased the week before. They were invited to an event where a specialist would make a hydration to the bag this is a super specific job, including rare products, that only a few people know how to do. This enables the client to feel that they belong to an exclusive club, with access to an exclusive and special treatment.	When you go Apple? Do they sell you the iPhone? Never! When you go to Chanel to they sell you the bag characteristics? No! Nowadays, it is all about the shopping experience. When a customer comes to the store, the sales associates sell the experience of belonging to the brand. They sell you a lifestyle. It is necessary to engage on a personal level and know the customer. Whether at the end, the customer buys or not a product, they will always remember the experience, the Sales Associate that was with them, and the way him/her followed-up with them.	Asian clients, they always want as their friends and family. Sometimes, we have a high number of Asian clients requesting for the same item (100 in average), and then we find that an Asian influencer wore the product for an event, or picture. They don't want necessarily exclusive products, but they want what everyone else has.	but then you have clients with a certain lifestyle that incorporate the brand in their wardrobe and day-to-day activities. These last also enjoy and value the shopping experience in a different way, also because they have access to an exclusive treatment. // Also, nourish the relationship outside the store experience: take the clients for lunch, send flowers, invite them to art exhibitions, in order to create a sense of belonging. This is essential to generate appointments and increase foot floor.	The fidelity and loyalty to luxury brands is not as high as it is in older or past generations. One of the challenges for luxury brands is to increase the retention rate of these clients. The love for the brand goes beyond the brand quality, enhancing the sense of belonging in the customers that are part of the Cartier family. // This is because first, the clients privacy needs to be respected, second to create and nourish the mystery of belonging to this exclusive group, and thirdly create aspiration and dream towards belonging to this group.	5	
Social Media Actions	Brands are engaging more than ever into showing the meticulous and extraordinary craftsmanship that goes into production: Balloon Bag, Loewe, // capsule collections (e.g. The Dumbo Collection) that surge in lowest times of the year to engage with the clients and create a sense of exclusivity. This sense is promoted by social media, selection distribution (only 5 stores all over the world had the collection), and waiting list.	If we understand why they are so interested in social media celebrities, we can find a gap in the market as retailers, to understand how the customers buy. Not the way around. First, it is important to understand how this generation uses Instagram: what do they need, what type of person and products they look for. Afterwards at the store, you use that knowledge to excel the experience of the customer at the store.	The social media works hand-in-hand with these store launch events. For example, in the day of the launch of the Saddle bag or 30 Montaigne, on the day of the launch Dior contacted 100 of the highest influencers worldwide to post a picture with the bag (highest profit margin products) at the same time. Creating a huge desire to get the bag, but then when the customers went to store, they would find the bag sold-out. Showing the customers that celebrities/influencers can have access to it, loyal customers can have it, but they can't. They need to start engaging with the brand if next time they want to be one of the lucky ones to have it. // The storytelling behind the products doesn't interests them so much but attending the brand events and the social media engagement that results from that, is something more exciting for them.	Miu Miu uses Instagram and big fashion personalities to appeal the masses (e.g. Join the Miu Miu gang.).	Watches are connected to the emotional side. Rolex doesn't limit the production, however they are not available, and so the brand creates waiting-lists and the sense of exclusivity. Products become very desirable due to the communication made by the brand, by social media, brand ambassadors. Increasing as well, the brand awareness. // Which brand ambassadors are chosen for each categories, engagement in long term visions, and the rarity and accessibility of each product.	Due to its high levels of heritage and brand history (170 years), Cartier's quality and prestige is known by the general audience. That said, the brand is following a rejuvenation strategy in its social media platforms: increase brand awareness and break taboos in regards to being too conservative and not actual. However, the exclusivity is created in the boutiques and in the relationship with their clients. // The brand provides to Elite clients exceptional treatment, taking them to visit the ateliers of high end watches, inviting to international events related with the sector, and others. These type of actions are never promoted or diffused in any media channel. This is because first, the clients privacy needs to be respected, second to create and nourish the mystery of belonging to this exclusive group, and thirdly create aspiration and dream towards belonging to this group.	6

Special Editions	Paula's Ibiza Partnership Capsule Collections: Spanish brand from the 70's and 80's from Ibiza. Every year Jonathan goes to the archives to get inspiration to create hippie chic collections. Even the classic clients buy that brand, because it is fresh and trendy and incorporates the spirit and youthfulness from those years in Spain. It has a range of baskets from 300€ to 1700€ and as a result can be purchased by the Millennial with lower purchasing power that wants to be trendy, but also a client that wants something more exclusive.	(Limited edition of a piton bag only 5 pieces in the UK available) The idea we transmit to the client when we send them a text message informing about this limited edition is: The brand chose YOU to be the first one to have access to such an exclusive product.	On the totally opposite side, the middle eastern clients, look for something totally different and exclusive. So if for example the sales assistant shows them something they have seen in the middle eastern stores, they won't purchase it. Limited editions are their favorite and most wanted products for purchase. // Create pop-up stores with inspired collections. Diorivien Capsule Collection: every year available in selected stores (south of France, Italy), has an holiday theme. Even if loyal customers want this collection in London, it isn't possible to sell to them (no transfers allowed), they need to buy it at the selected distribution stores. Quantities are kept quite low, but at the same time, create the rarity and exclusivity. Moreover, the collection's waves give novelty.	The collaboration between Kim Jones and Nike waiting list had clients willing to pay up to 10.000 pounds for a pair of sneakers, due to their exclusivity and popularity.	In the same way, the creation of limited editions (watches and jewelry) and correspondent privilege access to it, form a highly exclusive product portfolio access and treatment.	5
Fashion Show Pieces	The clients that want the exclusive products buy runway pieces, special editions.		RE-SEE orders: The day after the fashion show, Dior has a showroom in Paris where it presents samples (no sizing or trying on) of the fashion show, for the selected clients to see. The clients will select looks and pieces they would like to buy paying a 50% deposit. This ensures the clients they will have those pieces, and they will be the ones to receive them. Each boutique has more or less 1 or 2 in the fashion shows. However, boutiques have in general more than 2 consumers that would be willing to buy the collection straight away. Even in this case, the number of invitations doesn't increase, because this experience needs to be maintained has the ultimate exclusive treatment experience. Loyalty first, always. The relationship between brand-consumer is gradually developed: first boutique events, then outside boutique experience, and the top of the top is the fashion show.			2
Creative Director Impact	Jonathan repositioned the whole Loewe brand image when entering the brand.	(1) the creativity of the Maison, Karl Lagerfeld started his unbelievable journey at Chanel in 1983, and Chanel's biggest strength has been the creativity. The power they have of setting the fashion trends is their biggest strength.	When Maria Grazia Chiuri joined the company made a huge transformation in the creation strategy. Before her joining the brand, the Creative Director would focus mainly on the ready-to-wear design and the rest would be designed by the studio of assistant designers. When Maria entered she wanted to be responsible for the creation and design of the whole product portfolio- from the shoes, to the clothes, to the accessories. This strategy intended for Dior to sell the total look for clients, deliver coherence and distance clients from the attraction to acquire pieces from other brands to complete the looks. Moreover, everything produced would be in line with the collection theme, or to something related to the DNA and identity of Dior. This creates coherence within and between categories, increasing the cross-selling success for the sales assistants.	Every time a brand changes the Creative Director, for e.g. when in Dior John Galiano was replaced by Raf Simons it was a critical time: brands may lose at the beginning clients that were very attached to the previous designer and its creation lines, but after some time new customers will emerge or surrender to the new designer's vision for the brand. Brands need to educate their clients because sometimes if you don't give enough novelty, clients get bored. A good way for the brands to deal with is, is to use the best sellers and create novelty within the product variations: colors, materials, functionality... The Lady Dior bag when was relaunched had a high investment in store because it wasn't selling as expected, and stores needed to reach the target goal: 40% of bags sold would come from the Lady Dior bag.		4
Novelty Estimulation	The Runway products come in 3 different waves, so that from each time, novelty comes for consumers. // Moreover, we have capsule collections (e.g. The Dumbo Collection) that surge in lowest times of the year to engage with the clients and create a sense of exclusivity. // capsule collections (e.g. The Dumbo Collection) that surge in lowest times of the year to engage with the clients and create a sense of exclusivity. This sense is promoted by social media, selection distribution (only 5 stores all over the world had the collection), and waiting list.		Diorivien Capsule Collection: every year available in selected stores (south of France, Italy), has an holiday theme. Even if loyal customers want this collection in London, it isn't possible to sell to them (no transfers allowed), they need to buy it at the selected distribution stores. Quantities are kept quite low, but at the same time, create the rarity and exclusivity. Moreover, the collection's waves give novelty.	Brands need to educate their clients because sometimes if you don't give enough novelty, clients get bored. A good way for the brands to deal with is, is to use the best sellers and create novelty within the product variations: colors, materials, functionality...		3
Product Lifetime	It is really easy to kill a product, for e.g. if a product is a bestseller for 5 years shows low versatility and variety from the brand.		There needs to be the right balance among the products sold. If in one day the boutique only sells Lady Dior bags, and not Saddle bags it is not good for the brand. Even is the target for that model has already been achieved. The business is at risk when iconic products are not selling.			2
Luxury's industry competitiveness	The competitiveness of the luxury market, that is even competing with the high premium market, is huge. The consumer choice is high, brands need to answer clients, have an excellent clientelling, because clients can change the brand easily.					1
Power of social Media	Nowadays an unsatisfied client on social media, is way more vocal than 10 satisfied clients. // The consumer choice is high, brands need to answer clients, have an excellent clientelling, because clients can change the brand easily.	The new generation of clients is super addicted to social media. Once we understand the social media data, and how the clients are affected by the social media actions, we can narrow down the new consumers. Instagram is instrumental to luxury brands.	Asian clients, they always want as their friends and family. Sometimes, we have a high number of Asian clients requesting for the same item (100 in average), and then we find that an Asian influencer wore the product for an event, or picture. They don't want necessarily exclusive products, but they want what everyone else has. // The social media works hand-in-hand with these store launch events. For example, in the day of the launch of the Saddle bag or 30 Montaigne, on the day of the launch Dior contacted 100 of the biggest influencers worldwide to post a picture with the bag (highest profit margin products) at the same time. Creating a huge desire to get the bag, but then when the customers went to store, they would find the bag sold-out. Showing the customers that celebrities/influencers can have access to it, loyal customers can have it, but they can't. They need to start engaging with the brand if next time they want to be one of the lucky ones to have it. // Dior is super rich in terms of heritage, dream and impact on social media.	On the other hand, not iconic products, for e.g. a pair of earrings can also attract these type of clients if they were used by an Asian influencer. // Can also mention a celebrity or influencer that has used the product to emphasize the privilege of owning such an item.	What makes clients interested in the brand? Social media, and affiliation to specific causes (e.g. LVMH producing hand sanitizer). // The fashion world is connected to trends created by the fashion shows and social media. // What makes clients interested in the brand? Social media, and affiliation to specific causes (e.g. LVMH producing hand sanitizer).	5

pillars of luxury business		<p>The instrumental pillars of a luxury business are: (1) the creativity of the Maison, Karl Lagerfeld started his unbelievable journey at Chanel in 1983, and Chanel's biggest strength has been the creativity. The power they have of setting the fashion trends is their biggest strength. Second, as retailers, is the luxury product knowledge (2) and the way this knowledge is transmitted by Managers to the sales associates, and after how the brand heritage and history is conveyed to the clients. Third, the (3) clients' loyalty. // Clients from Qatar or Hong Kong that come for a crocodile bag, is a one-shot sale of £25 000. However, those clients are not contactable afterwards, they probably won't come back for another year. So, local clients are instrumental to sustain your business throughout the year. We have had a lot of investment in regards to the treatment provided for the local clients, for e.g. take them to Ascot in Wimbledon. This investment has been made to increase the potential of having them visiting us throughout the whole year. If you want to reach the targets, this is the whole fashion way of running a business.</p>	<p>There needs to be the right balance among the products sold. If in one day the boutique only sells Lady Dior bags, and not Saddle bags it is not good for the brand. Even is the target for that model has already been achieved. The business is at risk when iconic products are not selling. At the moment the Dior trainers are really trending and are selling really good, as soon as the stock is receive, it is sold in few weeks. But what about the pump heels? What about the J'Adior (one of the pillars of the business)? It is very important to maintain the iconic products has core profit of the business- no matter these products will generate money. Moreover, to create the right balance between products. In January a measure was implemented in all Europe stores since in Europe's boutiques the replenishment for the stock of the models D-Connect and Walk'n'Dior was so asked, due to their success, a "game" was implemented. In order to receive the replenishment of these models, boutiques had to achieve the weakly target of sales for the J'Adior models. If the target wasn't achieve, the boutique wouldn't receive more stock of the trainers.</p>	<p>Which brand ambassadors are chosen for each categories, engagement in long term visions, and the rarity and accessibility of each product. // Most luxury brands are increasing their prices every year, and none are decreasing the price in any of their categories. This means the products will become less and less accessible for middle-range classes, becoming more exclusive and therefore it becomes more desirable but this type of consumers won't be able to afford them. The main luxury houses don't make any sales or promotions. Dior makes some sales from time to time, but only on seasonal products, not core iconic products, majority in the ready-to-wear and shoes categories.</p>	3		
setting trends		<p>(1) the creativity of the Maison, Karl Lagerfeld started his unbelievable journey at Chanel in 1983, and Chanel's biggest strength has been the creativity. The power they have of setting the fashion trends is their biggest strength.</p>		<p>The fashion world is connected to trends created by the fashion shows and social media.</p>	2		
Product knowledge		<p>Second, as retailers, is the luxury product knowledge (2) and the way this knowledge is transmitted by Managers to the sales associates, and after how the brand heritage and history is conveyed to the clients.</p>	<p>The number of hours that takes to create a product and the number of pieces available in Europe and middle east to give them an idea of the exclusivity of the product. Moreover, to be even more specific, the sale assistant can explain the type of leather and how long it takes to produce the raw-materials. Can also mention a celebrity or influencer that has used the product to emphasize the privilege of owning such an item.</p>		2		
Clients' loyalty	<p>On the other hand, local clients that have known the brand for years, come to us for the quality of product and service.</p>	<p>The instrumental pillars of a luxury business are: Third, the (3) clients' loyalty. // You can always rely in these clients, not in terms of value. Are they contactable? Are they loyal to the brand? It is up to us to maintain a consistent follow-up. // When a collection is launched, the limited production allows the brand to create waiting-lists for the products. This waiting-list allows the brand to expand and manage its data-base of clients, and create desirability. In this window of time (from the fashion-show until receiving the products at the store), the clients show loyalty and patience.</p>	<p>In order to differentiate the loyal Dior clients from other clients we say "Look, we are going to receive this product (sending authorized product digital content provided by Paris), do you want to see it (sometimes we have access to press samples) before it launches?" This creates excitement towards the product, anticipation and explains clearly that on the day of the launch the piece might be already sold-out. This type of treatment makes the client value his relationship with the brand and the sales assistant, and the precious opportunity of having the product before even launches.</p>	<p>The time the clients spend in store allows them to be discovered by the sales assistant: their hobbies in life, what they do, and what they like in order to understand their lifestyle, and from that knowledge be able to create a memorable experience for the customer. These experiences make the customers loyal and addicted to the retail experience, and not so much attracted by the online channel.</p>	<p>In general, the Cartier client is loyal to the brand. Initiating the relationship with the brand with an iconic product (e.g. Trinity ring), and tends to nourish the relationship throughout the years (marriage, first children). Cartier sees the multi-generational trend on its clients: jewelry passes from generation to generation. // Within the client base there is a categorization made. The most loyal clients have privilege access to certain products, being offered the possibility of obtaining the products before anyone else. In the same way, the creation of limited editions (watches and jewelry) and correspondent privilege access to it, form a highly exclusive product portfolio access and treatment. The high end watch products is reserved to only a few number of clients, due to raw-materials rarity, unique technical procedures sometimes non reproducible, and to give priority to the most loyal clients. // The fidelity and loyalty to luxury brands is not as high as it is in older or past generations. One of the challenges for luxury brands is to increase the retention rate of these clients. The love for the brand goes beyond the brand quality, enhancing the sense of belonging in the customers that are part of the Cartier family.</p>	5	
CDM (Client data base management)	<p>Clientelling is crucial to enhance the dream, and we do that through the relationships we have with the clients.</p>	<p>Dior started a huge CDM (Client Data-base Management) program 5 years ago, where the aim were the local clients. The only way to convey continuously the brand's creativity is to have in our data-base clients that you can always contact and invite for boutique events. It doesn't matter how much they will purchase over the year, it is all about the frequency. You can always rely in these clients, not in terms of value. Are they contactable? Are they loyal to the brand? It is up to us to maintain a consistent follow-up. // When a collection is launched, the limited production allows the brand to create waiting-lists for the products. This waiting-list allows the brand to expand and manage its data-base of clients, and create desirability. In this window of time (from the fashion-show until receiving the products at the store), the clients show loyalty and patience.</p>	<p>So, we launch the bag, we pre-sold everything already, we know it, and then the new costumers that want the product we say "madam, I'm sorry we are sold-out", and most would answer "Oh no! But it was just launched!" and the sales assistant would answer "Yes, but we give priority to our loyal customers first in product launches. Would you like me to contact you next time?". You take the details, you recruit a new client. Whenever we receive the next delivery (2-3 weeks), the loyal clients already enjoyed exclusivity, and then we can sell it in mass. // How are costumers selected for this? This is where the sales assistants job is super important. Their knowledge of the costumers is their best asset.</p>	<p>On the daily-basis we build and nourish our relationships with our clients. The relationship starts in store, then is the follow-up. Once the first follow-up is done, the relationship starts and clients are invited to trunk shows, new product launches. Also, nourish the relationship outside the store experience: take the clients for lunch, send flowers, invite them to art exhibitions, in order to create a sense of belonging. This is essential to generate appointments and increase foot floor. Clients that come to mono brand stores, expect a different type of treatment that they would get if they went to a department store. In department stores like Harrods, and Selfridges it is different because it has higher movement of clients and less time for each. Also, in logistics terms the exclusivity of treatment (e.g.</p>	<p>(360 activation) Third is the client development that is divided in two fronts: acquisition and retention. The acquisition is the new clients that have never purchased the brand and are converting into costumers with the probability of creating a relationship with the brand. Generated primarily from boutique foot floor. Retention is the capability of turning the costumers even more loyal to the brand. Based on this CRM (Customer Relationship Management) strategy, you make a growth. What makes clients interested in the brand? Social media, and affiliation to specific causes (e.g. LVMH producing hand sanitizer). // In particular situations like now, brands have no foot floor, and so brands need to rely on the retention clients and be sure the CDM and CRM of the highest attention and maintenance.</p>	<p>In general, the Cartier client is loyal to the brand. Initiating the relationship with the brand with an iconic product (e.g. Trinity ring), and tends to nourish the relationship throughout the years (marriage, first children). Cartier sees the multi-generational trend on its clients: jewelry passes from generation to generation. // The brand provides to Elite clients exceptional treatment, taking them to visit the ateliers of high end watches, inviting to international events related with the sector, and others.</p>	6

				having a private room) can become more challenging.			
brand values	On the other hand, local clients that have known the brand for years, come to us for the quality of product and service. // but also a 60 years-old local client that thinks twice before taking a 1500€ bag. // Locals do not always have a high purchase power, but they buy lower values throughout time: they want to initiate a relationship with the brand that they want to keep for years if the brand also mirrors their values, beliefs and aesthetics.	Dior started a huge CDM (Client Data-base Management) program 5 years ago, where the aim were the local clients. // Clients from Qatar or Hong Kong that come for a crocodile bag, it is a one-shot sale of £25 000. However, those clients are not contactable afterwards, they probably won't come back for another year. So, local clients are instrumental to sustain your business throughout the year. We have had a lot of investment in regards to the treatment provided for the local clients, for e.g. take them to Ascot in Wimbledon. This investment has been made to increase the potential of having them visiting us throughout the whole year. If you want to reach the targets, this is the whole fashion way of running a business.		Local clients would save some money to buy statement luxury pieces (more specific leather goods), but then you have clients with a certain lifestyle that incorporate the brand in their wardrobe and day-to-day activities. These last also enjoy and value the shopping experience in a different way, also because they have access to an exclusive treatment.	Every watch purchase is highly emotional, because is in general associated to special occasions, and connected to the brand's values. It is important to understand this in order to leverage the sales and desirability. Moreover allows the consumer to differentiate and evoke a certain status.		4
Consumers' yearly expenses		It doesn't matter how much they will purchase over the year, it is all about the frequency. // You can always rely in these clients, not in terms of value: Are they contactable? Are they loyal to the brand? It is up to us to maintain a consistent follow-up. // Elite clients are elected based on their yearly expenses and are invited to fashion-shows.					1
Frequency of purchases	On the other hand, local clients that have known the brand for years, come to us for the quality of product and service. // Locals do not always have a high purchase power, but they buy lower values throughout time: they want to initiate a relationship with the brand that they want to keep for years if the brand also mirrors their values, beliefs and aesthetics.	It doesn't matter how much they will purchase over the year, it is all about the frequency.					2
Emotional connection	(locals) to initiate a relationship with the brand that they want to keep for years if the brand also mirrors their values, beliefs and aesthetics. // Clientelling is crucial to enhance the dream, and we do that through the relationships we have with the clients.	When you go Apple? Do they sell you the iPhone? Never! When you go to Chanel if they sell you the bag characteristics? No! Nowadays, it is all about the shopping experience. When a customer comes to the store, the sales associates sell the experience of belonging to the brand. They sell you a lifestyle. It is necessary to engage on a personal level and know the customer. Whether at the end, the customer buys or not a product, they will always remember the experience, the Sales Associate that was with them, and the way him/her followed-up with them. // I have an exercise with my team where I time how long they can sell me a pair of shoes without talking about the pair of shoes. On average they last 30 seconds. It is all about the way the product is sold, and how the sales associates can connect with the customer with their personality and engagement. The human side is the rarity of luxury today. The only tool to succeed is to sell something beyond the product. That is why, I am not too sure about the online channels because it is completely impossible to compare the experience of buying online or at the store.	We don't want people to feel scared or uncomfortable to come in Dior, a strategy that most competitors are doing. Dior wants to deliver a welcoming service, connecting emotionally with the consumers, making them feel at home. Some clients when entering the store, we already know what they would like to drink, where they would like to try-on the clothes, who they would like to be assisted by, etc. // For the LVMH group, the customer experience is one of the most valuable assets.	On the daily-basis we build and nourish our relationships with our clients. The relationship starts in store, then is the follow-up. Once the first follow-up is done, the relationship starts and clients are invited to trunk shows, new product launches. Also, nourish the relationship outside the store experience	Every watch purchase is highly emotional, because is in general associated to special occasions, and connected to the brand's values. It is important to understand this in order to leverage the sales and desirability. Moreover allows the consumer to differentiate and evoke a certain status. // Watches are connected to the emotional side. Rolex doesn't limit the production, however they are not available, and so the brand creates waiting-lists and the sense of exclusivity. Products become very desirable due to the communication made by the brand, by social media, brand ambassadors. Increasing as well, the brand awareness. // For this category, clients already go to store with an emotion and intention to buy, in general they don't go just to browse when you know a ring starts on 16 000€. // In this industry the growth is based on the emotion, experience and client relationship. // From this emerges the 2nd hand market, where some products can reach higher prices than in store, showing how desirability and aspiration for a product can make consumers' price sensibility so low. These products have no distribution and have highly emotional values due to their exclusiveness and years. Brands don't act in this market because they understand that the brand value is not in risk, it can even increase the emotional connection of consumers with the brand. // This activates the brand emotionally, through the connections the customers have with the brand ambassadors, what they have conquered and what they represent.	The created role of "Boutique Assistant" is the representation of the first contact between the brand and the client in the boutique. He/she will greet the client with a warm welcome and big smile, and further understand the wishes of the client and redirect to the right sales assistant. Moreover, make the client feel comfortable and deliver a personal treatment. // The Cartier client knows and loves the brand. It is not an impulsive buy, but highly emotional. Clients tend to look for the icons: love, trinity.	6
Instagram		The new generation of clients is super addicted to social media. Once we understand the social media data, and how the clients are affected by the social media actions, we can narrow down the new consumers. Instagram is instrumental to luxury brands. // If we understand why they are so interested in social media celebrities, we can find a gap in the market as retailers, to understand how the customers buy. Not the way around. First, it is important to understand how this generation uses Instagram: what do they need, what type of person and products they look for. Afterwards at the store, you use that knowledge to excel the experience of the customer at the store.	The social media works hand-in-hand with these store launch events. For example, in the day of the launch of the Saddle bag or 30 Montaigne, on the day of the launch Dior contacted 100 of the biggest influencers worldwide to post a picture with the bag (highest profit margin products) at the same time. Creating a huge desire to get the bag, but then when the customers went to store, they would find the bag sold-out. Showing the customers that celebrities/influencers can have access to it, loyal customers can have it, but they can't. They need to start engaging with the brand if next time they want to be one of the lucky ones to have it.	Miu Miu uses Instagram and big fashion personalities to appeal the masses (e.g. Join the Miu Miu gang).			3
Whatsapp		I consider WhatsApp a social media as well. The sales team can send official pictures with the reference and value of the product. Some clients have stated that their conversations with Sales Assistants have revealed to be more effective than Instagram: they know the top trends, what is new in store, what stock they have and the ability to secure products (put on-hold). This allows the customers to be a step ahead from all the social media accounts.					1

OTO (one-to-one appointments)		In order to create desirability you have the anticipation before the fashion-shows, a huge media and PR management at the fashion-show and then the stores will start receiving the collections within 3 months. From the moment the collections start arriving at the store, OTO (One-to-One) appointments are booked in order for the clients on the waiting list to be the ones to see and buy the products first. From then onwards the products start to be available for the entry-clients. Anticipation is instrumental.		This is essential to generate appointments and increase foot floor. Clients that come to mono brand stores, expect a different type of treatment that they would get if they went to a department store.		2
Hèrmes		Hèrmes doesn't advertise, they don't have logos. Hèrmes is all about the craftsmanship, the heritage and quality. They have a very pure and minimalist.	Hèrmes is still a family owned house, therefore they don't have the pressure to achieve certain results or targets. This French brand has a peculiar strategy: frustrate the client. In terms of service in the boutique, they are very selective in their treatment and are not particularly welcoming. This makes the clients strive for their exclusive treatment. That is why they don't need a marketing department, it is such an exclusive and niche customer that has access to it (for e.g. only being able to buy a bag if their yearly spend is above the 100k) that they don't need to advertise. The word-of-mouth among these niche consumers is their only "marketing" resource.			2
Branding products			The new clientele is young, and wants to shop at Dior to show they have Dior products. This kind of customers are going more to the branding type of items: J'Adior, Bags with Dior written. The brand may have something beautiful, with amazing craftsmanship, and high quality, but if there's no branding at all, this type of clients would never purchase an item like this. The oblique print is very successful, because you cannot miss it is Dior. Also, the saddle bag was super successful because in terms of shape, is completely different to what you may find in the other luxury bags, or even in the Dior bags portfolio (Lady Dior). So, it is a piece that most consumers can identify as Dior, and as a luxury product. // Also, it varies between departments. In accessories and shoes departments because the products may be more affordable than the other departments, you may find younger consumers that like the branded products. // European clients prefer items more discrete (not branding), elegant, chic and timeless rather than the hot pieces and latest trends. // No, I don't believe it affects this type of clients. Sometimes when we show some product that may recall more for the branding side, they state "no, no! that's not for me! That's the young Chinese! They are rich but they know nothing!". // However, they are attracted for hot and trendy products because these are recognizable as luxury by the general audience.	Since 2016 when the Mate Laser print was launched, it became an iconic brand pattern and clients were very attracted to products with this leather because it was a statement piece. It was a big source of clients because it was a type of product clients would buy to signal status, since it was easy recognizable as a luxury product.	The Asian clients have the identification factor, that makes them be more attracted by the best-selling and trendy products.	3
Mature consumers			Then you have more mature and intimate customers. This type of customer doesn't like branding products, they like to wear pieces that are recognizable, not from the general audience, but from this specific niche of clients "club". They don't care if they are in the street and people might think a product is from Zara, they know it is Dior, and their niche as well, and that's all that matters for this clients. Mature in this case doesn't mean older, these clients can have 30 or 40 years old, but belong to a niche society.		Europe is where luxury was invented and so the European consumer is more mature, and consumers go more for their values and personal taste rather than the group trend.	2
Conglomerates' Strategies			However, next to Chanel and Louis Vuitton (the big money machine of LVMH) is not as profitable. Dior has been a more intimate brand, smaller and for the niche elegant luxury consumer, and that is something the LVMH managers want to change. They want the brand to get closer to the big names in terms of sales volume. // The figures of Louis Vuitton show the brand is not affected by its democratization, they are still the n°1 luxury brand in the world, generating 10 billions of dollars a year. Louis Vuitton doesn't have a perfect service, their products are not as dreamy as the other brands, but this doesn't matter the LVMH group, because this is the brand that is there to make money. Since LV is so profitable, it allows LVMH to have the funds to invest in Dior. Another strategy the group has, is to have a different type of brand to please all types of consumers- not everyone will like Dior, so the group needs to have brands that offer the style or design the customer is looking for. In that way, the customer won't go to the competition (other groups like Richemont or Kering), but will stay within the brand portfolio. An example of this strategy is what LVMH made with Celine. Once the brand was bought by the group, Hedi Slimane was chosen as the brand designer and it completely disrupted what Celine was known for, and ignored all the brand DNA. What the designer is doing, being the last Yves Saint Laurent designer, is to bring all the inspiration from the previous brand he worked for and creating Celine collections clearly inspired by Yves Saint Laurent. Why? Because before, the group didn't have anything that would compete with Yves Saint Laurent in terms of style. If the client wanted some piece with their aesthetics, they would go to the Kering group. Now, LVMH also has a brand that offers pieces with rock'n'roll inspiration, sexier, and for a younger audience at a more affordable price. What this strategy is doing is deviating the clients from Yves Saint Laurent (Kering group), to the LVMH group.			1
Cross-selling			Lastly, since Dior is a couture house the ready-to-wear is very important, the DNA of the brand is in the haute-couture. Everything sold at the store in the moment wasn't available when Christian Dior was alive, so as a couture house it is crucial to maintain the elegance and chic distinctiveness- this is made with the focus on the ready-to-wear at the boutiques, and the cross-selling- boutiques cannot sell gowns without suggesting the pumps. // When Maria entered she wanted to be responsible for the creation and design of the whole product portfolio- from the shoes, to the clothes, to the accessories. This strategy intended for Dior to sell the total look for clients, deliver coherence and distance clients from the attraction to acquire pieces from other brands to complete the looks. Moreover, everything produced would be in line with the collection theme, or to something related to the DNA and identity of Dior. This creates coherence within and between categories, increasing the cross-selling success for the sales assistants.			1
Department Stores			The European clients, prefer to frequent more the NBS store. Europeans like the street shopping experience. In contrast with the Asian and middle eastern that prefer department stores like Harrods or Selfridges. European clients prefer items more discrete (not branding), elegant, chic and timeless rather than the hot pieces and latest trends.	In department stores like Harrods, and Selfridges it is different because it has higher movement of clients and less time for each. Also, in logistics terms the exclusivity of treatment (e.g.		2

				having a private room) can become more challenging.		
Mono brand stores			The European clients, prefer to frequent more the NBS store. Europeans like the street shopping experience. In contrast with the Asian and middle eastern that prefer department stores like Harrods or Selfridges. European clients prefer items more discrete (not branding), elegant, chic and timeless rather than the hot pieces and latest trends.	This is essential to generate appointments and increase foot floor. Clients that come to mono brand stores, expect a different type of treatment that they would get if they went to a department store.		2
storytelling		When a customer comes to the store, the sales associates sell the experience of belonging to the brand. // The only tool to succeed is to sell something beyond the product. // The key aspects to such a sale like this are: explain the craftsmanship and quality of raw-materials included, the creativity of the product and the exclusivity of the product. // . Second, as retailers, is the luxury product knowledge (2) and the way this knowledge is transmitted by Managers to the sales associates, and after how the brand heritage and history is conveyed to the clients.	The storytelling behind the products doesn't interests them (young clients) so much but attending the brand events and the social media engagement that results from that, is something more exciting for them.	The number of hours that takes to create a product and the number of pieces available in Europe and middle east to give them an idea of the exclusivity of the product. Moreover, to be even more specific, the sale assistant can explain the type of leather and how long it takes to produce the raw-materials. Can also mention a celebrity or influencer that has used the product to emphasize the privilege of owning such an item.		3
Financial impact			In the shopping experience- every time the brand launches a product they know will be trending and successful, the amount ordered is never enough to fulfill the demand. Even if they know they will need more and could sell more, in order to create rarity. Moreover, to create the idea that is a privilege to know before the other, and the official launch-to be the first ones to have the product. In terms of brand, and financial impact, it allows the brand to sell all the stock before it arrives to the store. // Each boutique has an allocated budget, according to their location, previous sales, target reaching, and seasonality. With that budget the store director selects the styles and sizes from the fashion show to buy, respecting the budget allocated, based on their clientele. However, the reese orders from the fashion show are not included in this budget. With this type of orders, the boutiques are securing sales as soon as the stores start receiving the collections, and also allows the boutiques to have more stock for the coming clients in the boutique. // Whenever we receive the next delivery (2-3 weeks), the loyal clients already enjoyed exclusivity, and then we can sell it in mass. // RE-SEE orders: The day after the fashion show, Dior has a showroom in Paris where it presents samples (no sizing or trying on) of the fashion show, for the selected clients to see. The clients will select looks and pieces they would like to buy paying a 50% deposit. This ensures the clients they will have those pieces, and they will be the ones to receive them.	In fashion, a multi-categories business, it is important to balance the profitability of the different categories. Ready-to-wear is an important category, but the most profitable one is accessories. And you need to sell volume, to make businesses.	In the 90's, Cartier launched a collection called "The Must Cartier". This collection was very controversial in the brand's financial crisis years. The collection included pieces at accessible prices with the Cartier aesthetics and logo. Cartier was expelled from the Comité Colbert. This collection allowed to target a different consumer and to reinforce the brand. This type of collections are no longer made due to the danger of becoming to accessible and broad, but entry-brand-collections are made in order to initiate the brand's relationship with customers that don't have the purchase power needed yet, but will have as time passes.	4
Pop-Up stores			Create pop-up stores with inspired collections. Diorviera Capsule Collection: every year available in selected stores (south of France, Italy), has an holiday theme. Even if loyal costumers want this collection in London, it isn't possible to sell to them (no transfers allowed), they need to buy it at the selected distribution stores. Quantities are kept quite low, but at the same time, create the rarity and exclusivity. Moreover, the collection's waves give novelty.			1
Brand identity			When Maria Grazia Chiuri joined the company made a huge transformation in the creation strategy. Before her joining the brand, the Creative Director would focus mainly on the ready-to-wear design and the rest would be designed by the studio of assistant designers. When Maria entered she wanted to be responsible for the creation and design of the whole product portfolio- from the shoes, to the clothes, to the accessories. This strategy intended for Dior to sell the total look for clients, deliver coherence and distance clients from the attraction to acquire pieces from other brands to complete the looks. Moreover, everything produced would be in line with the collection theme, or to something related to the DNA and identity of Dior. This creates coherence within and between categories, increasing the cross-selling success for the sales assistants. // Lastly, since Dior is a couture house the ready-to-wear is very important, the DNA of the brand is in the haute-couture. Everything sold at the store in the moment wasn't available when Christian Dior was alive, so as a couture house it is crucial to maintain the elegance and chic distinctiveness- this is made with the focus on the ready-to-wear at the boutiques, and the cross-selling- boutiques cannot sell gowns without suggesting the pumps. // Pampering to consumers' wishes: in uber luxury, we are very strict in what we propose to the client, it is designed by the brand and follows the brand's identity, heritage and DNA. In the haute-marquignerie clients can choose the color, material and charms of the bag, but they cannot change the bag itself, for e.g. they cannot take the lucky charms from the Lady Dior bag.	In the 90's, Cartier launched a collection called "The Must Cartier". This collection was very controversial in the brand's financial crisis years. The collection included pieces at accessible prices with the Cartier aesthetics and logo. Cartier was expelled from the Comité Colbert. This collection allowed to target a different consumer and to reinforce the brand. This type of collections are no longer made due to the danger of becoming to accessible and broad, but entry-brand-collections are made in order to initiate the brand's relationship with customers that don't have the purchase power needed yet, but will have as time passes.		2
Iconic products			There needs to be the right balance among the products sold. If in one day the boutique only sells Lady Dior bags, and not Saddle bags it is not good for the brand. Even is the target for that model has already been achieved. The business is at risk when iconic products are not selling. At the moment the Dior trainers are really trending and are selling really good, as soon as the stock is receive, it is sold in few weeks. But what about the pump heels? What about the J'Adior (one of the pillars of the business)? It is very important to maintain the iconic products has core profit of the business- no matter these products will generate money. Moreover, to create the right balance between products. In January a measure was implemented in all Europe stores since in Europe's boutiques the replenishment for the stock of the models D-Connect and Walk'n'Dior was so asked, due to their success, a "game" was implemented. In order to receive the replenishment of these models, boutiques had to achieve the weakly target of sales for the J'Adior models. If the target wasn't achieve, the boutique wouldn't receive more stock of the trainers. // This strategy is not used for every product, only the ones the brand knows beforehand will become super successful. Once the mass consumer has access to it, the loyal client doesn't get upset by this because by then the products has become an iconic product of the luxury house.	Since 2016 when the Mate Laser print was launched, it became an iconic brand pattern and clients were very attracted to products with this leather because it was a statement piece. It was a big source of clients because it was a type of product clients would buy to signal status, since it was easy recognizable as a luxury product. // There key iconic pieces (Saddle Bag, J'Adior shoes) that attract more the Asian clients due to their high popularity and easy recognition.	The Cartier iconic products have no price sensitivity. The brand doesn't need to communicate the iconic products as much as the other products, as there are already rooted in the society, and their value is not questionable, just dreamed off.	3

UBER luxury			<p>Dior implemented the concept of Uber Luxury. Sales assistants need to identify the "big fish", the richest clients, the ones with no budget limit. UBER LUXURY means: Haute Couture, Haute Maroquinerie (choose the color, material, charms on bags), Haute Joaillerie (Victorie de Castellane-Designer)- Dior is not historically known as joaillerie makers, so they don't want to compete with Cartier for e.g., they want to offer something totally different, Couture Ladies dresses and also Interior Design with Dior Homeware services.</p> <p>To implement it, we need to identify the right costumers, and invite them for events exclusive for these services. This events only authorize invited costumers, even if the event is happening at the boutique and one client wants to participate, if it doesn't have an invitation, it doesn't enter. This events create new experiences for these very top clients and to offer them very high quality/exclusive/price products.</p> <p>In terms of exclusivity, clients cannot achieve more than Haute-Couture. Haute-Couture is made for that specific client, the process is very strict and it goes completely against the fast fashion. Whenever a client buys haute-couture, it has at least 3 appointments, is a two-sided dedication process. In Haute-Couture clients can't just reserve a size in a dress, there is no sizing in this category- each piece is perfectly tailored, measured and adjusted for that client.</p> <p>First meeting serves to get to know the client: make sure they are not from the country in which they are buying the pieces from (otherwise the exclusivity is killed), ...</p> <p>Haute-couture pieces can start from 20k/30k (trousers or a top), 50k&60k (jacket), 60k/70k/80k (dress), wedding dresses start in 100k and have no price limit. The last one sold in the NBS costed 300k. If two clients want the same dress, the first one to ask is the first one to get it, since two clients cannot have the same dress. Also, the boutiques will communicate, and if the client is from Beverly Hills, the same dress cannot be sold there as well.</p> <p>Uber luxury also offers the possibility of designing a piece for a client, for e.g. Chiara Ferragni's wedding dress. This process is longer, and the Paris atelier and designer are involved in the process. This creation cannot be reproduced for anyone else in the world.</p> <p>With the fashion show haute-couture pieces clients can also request total exclusivity of the piece, but in that case they will have to pay a higher price for it.</p> <p>Clients that buy Haute-Couture pieces with frequency, have the change of visiting the iconic Paris Atelier.</p>			1	
Watch consumer					The watch world is very different from the fashion world. The fashion world is ruled by feminine clients, whereas the watch world is majorly owned by males. The fashion world is connected to trends created by the fashion shows and social media.		1
360 activation					<p>360 Activation: the product itself, activated through trends, PR, media // 360 degree activations: first are the retail stores activationà located all around the world, the brand gets a certain visibility, exposure and awareness around the world.</p> <p>Second the marketing strategyà every year have a specific focus in the new collection, which is the launch of the collection that is connected to that year's theme (sailing, aviation, etc). In 2019 a Pilot Academy called Split Fire from 1946 made a tour around the world sponsored by IWC, and each stop had high mediation. The collection was based on aviation, worn by the captain during the world tour and called Splitfire. This activates the brand emotionally, through the connections the costumers have with the brand ambassadors, what they have conquered and what they represent.</p> <p>Third is the client development that is divided in two fronts: acquisition and retention. The acquisition is the new clients that have never purchased the brand and are converting into costumers with the probability of creating a relationship with the brand. Generated primarily from boutique foot floor.</p> <p>Retention is the capability of turning the costumers even more loyal to the brand. Based on this CRM (Customer Relationship Management) strategy, you make a growth.</p> <p>What makes clients interested in the brand? Social media, and affiliation to specific causes (e.g. LVMH producing hand sanitizer).</p> <p>In particular situations like now, brands have no foot floor, and so brands need to rely on the retention clients and be sure the CDM and CRM of the highest attention and maintenance.</p>		1
2nd hand market					Inaccessibility can come from two things: capacity of production and technical procedures, like the artisans of Tourbillon watches that take up to 10 to 15 of training until ready to make a watch.From this emerges the 2 nd hand market, where some products can reach higher prices than in store, showing how desirability and aspiration for a product can make consumers' price sensibility so low. This products have no distribution and have highly emotional values due to their exclusiveness and years. Brands don't act in this market because they understand that the brand value is not in risk, it can even increase the emotional connection of consumers with the brand.		1

n each mechanism table, the first column details the name of the mechanism. Then, the following column clarifies the categories and codes that influenced the creation of each mechanism, whilst influencing the tension. Assigned in column 3 are short explanations of the mechanisms and how they contribute for the tension management. The last column has a selection of relevant quotes from the interviews.

Mechanism I:

Mechanism I	Superior Categories	Description of superior categories	Quotes
I. Implementing digital and retail strategies	<u>Categories of the digital theme:</u> <ul style="list-style-type: none"> • Online strategy implementation ; • Online metrics ; • Social media platforms ; • Market ; • Brand's DNA ; • Brand dimensions. 	<p>The brand's DNA and dimensions are conveyed in social media actions in order to increase the dreaminess and desirability of the brand. It is crucial for brands to understand the demand, sales and trends, and to consider them in their retail and online strategies. The online metrics are the measurements used to understand the influence and power of the social media actions on actual sales. The online strategy implementation represents the marketing program and social media actions realized in the digital channels. The social media platforms most mentioned by the interviewees were Instagram and WhatsApp.</p>	<p><i>"The marketing department is important to make sure the brand is knowing for all types of consumers, and that the strategy is aligned in the boutiques and social media. " (I3) , "The social media works hand-in-hand with these store launch events." (I3) , "Dior is super rich in terms of heritage, dream and impact on social media." (I3) , "It is all about the way the product is sold, and how the sales associates can connect with the costumer with their personality and engagement. The human side is the rarity of luxury today. The only tool to succeed is to sell something beyond the product. That is why, I am not too sure about the online channels because it is completely impossible to compare the experience of buying online or at the store." (I2)</i></p>
I. Implementing digital and retail strategies	<u>Categories of the retail theme:</u> <ul style="list-style-type: none"> • Data/Relationship Management ; • Sales strategies ; • Sales experience factors. <u>Consumer knowledge categories:</u>	<p>From this theme two correlated categories sets are formed. The consumer knowledge of generation, cultural, and purchase power specificities, along with purchase trends, dimensions and emotional feelings affecting purchase, allow the sales assistant to use consumer metrics to measure consumers' sales potential. Hence, with this knowledge acquired,</p>	<p><i>" It doesn't matter how much they will purchase over the year, it is all about the frequency. You can always rely in these clients, not in terms of value: Are they contactable? Are they loyal to the brand? Clients from Qatar or Hong Kong that come for a crocodile bag, is a one-shot sale of £25 000. However, those clients are not contactable afterwards, they probably won't come back for another year. So, local clients are instrumental to sustain your business throughout the year. We have had a lot of investment in regards to the treatment provided for the local</i></p>

	<ul style="list-style-type: none"> • Generations; • Consumer Metrics; • Types of consumers; • Purchase trends; • Emotional feelings. 	customer data/relationship management techniques, and sales strategies are applied.	<i>clients, for e.g. take them to Ascot in Wimbledon. This investment has been made to increase the potential of having these clients visiting us throughout the whole year. If you want to reach the targets, this is the whole fashion way of running a business." (12) , "Knowing the customer needs, the places they like to frequent, and their lifestyle, allows the brand to trigger some little budget from their special occasions." (12) , "When a costumer comes to the store, the sales associates sell the experience of belonging to the brand. They sell you a lifestyle. It is necessary to engage on a personal level and know the customer." (12)</i>
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Mechanism II:

Mechanism II	Superior Categories	Description of superior categories	Quotes
II. Distinguish the different type of consumers to adapt and target tension management strategies	<ul style="list-style-type: none"> • Luxury Product characteristics; • Purchase Dimensions; • Types of rarity. 	<p>The aspirational consumers will buy in high volume, less expensive, high profitable products.</p> <p>This type of customer doesn't mind seeing people with the same products, as their goal is to have luxury products recognized by the general audience, as a class & status, aspiration and extension of self-reassurance, the final objective of their conspicuous buy.</p>	<i>"These kind of customers are going more to the branding type of items: J'Adior, Bags with Dior written. The oblique print is very successful, because you cannot miss it is Dior. Also, the saddle bag was super successful because in terms of shape, is completely different to what you may find in the other luxury bags. So, it is a piece that most consumers can identify as Dior, and as a luxury product." (13), "One category's desirability is supporting the growth of another" (15)</i>

		<p>The elitist consumers incur elitism and prestige feelings. These costumers, don't need their products to be recognized by the general audience, but by their elite group. Their purchases strive for personal distinctiveness, and uniqueness. There are able to include the brand on their daily basis activities: from clothing, to accessorize, to home décor. They can have high frequency of purchases but in higher priced and more elitist categories of products, such as ready-to-wear, and haute-couture pieces.</p>	<p>" This type of customer doesn't like branding products, they like to wear pieces that are recognizable, not from the general audience, but from this specific niche of clients "club " (13) , "One category's desirability is supporting the growth of another: Ready-to-wear and Haute-Couture exclusiveness and limited production, allows for the accessories categories to sell in higher volume. " (14), "In fashion it is important to balance the profitability of the different categories. Ready-to-wear is an important category, but the most profitable one is accessories. And you need to sell volume, to make businesses." (14)</p>
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Mechanism III:

Mechanism III	Superior Categories	Description of superior categories	Quotes
III. Keeping an iconic and design coherence for steady growth	<u>Codes of category "Business Departments":</u> <ul style="list-style-type: none"> • Financial impact; • Omni channeling; • Luxury industry's competitiveness ; • Creative director impact ; • Iconic Products. 	High industry competitiveness, pressures brands to strengthen the worship of their iconic house products so they won't be too dependent on fashion trends, a coherent line of design throughout categories to distance clients from the attraction to acquire pieces from other brands to complete the looks.	"This strategy intended for Dior to sell the total look for clients, deliver coherence and distance clients from the attraction to acquire pieces from other brands to complete the looks. (...) This creates coherence within and between categories, increasing the cross-selling success for the sales assistants. " (13) , "The business is at risk when iconic products are not selling." (13) , " It is very important to maintain the iconic products has core profit of the business- no matter what, these products will generate money." (13)
III. I Limited edition collections	<u>Codes of category "Collections":</u> <ul style="list-style-type: none"> • Fashion show pieces • Special editions ; • 2nd hand market products. 	Luxury players offer exclusive collections in quantity and distribution, increasing desirability, and awareness of the brand. Equally important, allows for novelty stimulation, to increase sales on lower seasons in the year.	"Dioriviera Capsule Collection: every year is available in selected stores and has an holiday theme. Even if elite costumers want this collection in London, it isn't possible to sell to them (no transfers allowed), they need to buy it at the selected distribution stores. Quantities are kept quite low, creating rarity and exclusivity." (13)

Mechanism IV:

Mechanism IV	Superior Categories	Description of superior categories	Quotes
IV. Keeping the management of the tension at the brand and conglomerate level	<u>Codes of category “Core Business”:</u> <ul style="list-style-type: none"> Pillars of luxury businesses ; Business models ; Conglomerates' strategies 	<p>Conglomerates strategies aim to retain all types of costumers with different styles, within its brand portfolio.</p> <p>Based on each luxury brand business model, its dreaminess and niche market, conglomerates invest in the different brands according to their distinctiveness characteristics.</p>	<p><i>"The figures of Louis Vuitton show the brand is not affected by its democratization, they are still the n°1 luxury brand in the world, generating 10 billions of dollars a year." (13)</i></p> <p><i>If the client wanted some piece with their (Yves Saint Laurent) aesthetics, they would go to the Kering group. Now, LVMH also has a brand (Céline) that offers pieces with rock'n'roll inspiration, sexier, and for a younger audience at a more affordable price. What this strategy is doing is deviating the clients from Yves Saint Laurent (Kering group), to the LVMH group." (13)</i></p>

Appendix. 7 Secondary data

N° of Document	Type of Document	Issuing company or brand	Name of document	Source	Use in the analysis
1	Press Release	LVMH	Press Release LVMH Full year results 2019	Google Chrome	Present LVMH, and the brands of its portfolio under case study
2	Press Release	Richemont	Richemont- Annual report and Accounts 2019	Google Chrome	Selected brands revenues, strategies and yearly performances.
3	Launch pack	Christian Dior S.A.	Summer 2020 Women Business Units Launch Pack	Obtained in my internship at Dior	Client initiatives - strategy, target by segment, retail event formats; Iconic products objectives and focus importance;
4	Article	Business of Fashion	LVMH Takes Control of Christian Dior in \$13 Billion Deal	Google Chrome	Present Christian Dior
5	Press Release	Richemont	Richemont- Annual report and Accounts 2018	Google Chrome	Selected brands revenues, strategies and yearly performances.
6	Collaborations Report	Christian Dior S.A.	The Collaborations - 1) Daniel Arsham, 2) RIMOWA x Dior	Obtained in my internship at Dior	Support mechanism III

7	Magazine Interview	Style Magazine	Axel Dumas, CEO of Hermès, says true luxury does not always have to depend on marketing	Google Chrome	Support mechanism IV
8	Website	Christian Dior S.A.	DISCOVER L'OR DE VIE - Skincare	Google Chrome	Support mechanism II
9	Website	Christian Dior S.A.	Dior Hydra Life - The collections - Skincare	Google Chrome	Support mechanism II
10	Fashion show slideshow	Vogue	Christian Dior Spring 2020 Ready-to-Wear Fashion Show	Google Chrome	Support mechanism III
11	Article	Fashion Network	Hedi Slimane's Céline could double revenue in five years	Google Chrome	Support mechanism IV
12	Article	Business of Fashion	Op-Ed: The Future of Luxury in 4 Trends	Google Chrome	Support mechanism I
13	Article	Business of Fashion	The Problem With the Online Luxury Model	Google Chrome	Support mechanism I
14	Website	LVMH	Christian Dior, haute couture and ready-to-wear - Fashion & Leather Goods	Google Chrome	Present Christian Dior
15	Article	Heroine	The Art of Craft A History of Loewe	Google Chrome	Present LOEWE
16	Article	Fashion United	Timeline: 70 years of Christian Dior	Google Chrome	Present Christian Dior
17	Article	Financial Times	Celine's next step	Google Chrome	Support mechanism IV
19	Website	LVMH	Parfums Christian Dior, fragrances - Perfumes & Cosmetics	Google Chrome	Present Christian Dior
20	Product Launch pack	Christian Dior S.A.	OUI Launch January 2020	Obtained in my internship at Dior	Support mechanism II
21	Article	Forbes	The World's Largest Public Companies 2020.	Google Chrome	Showcase importance of the companies under case study
22	Article	Forbes	Christian Dior S.A	Google Chrome	Showcase importance of the companies under case study
23	Website	Christian Dior	Dior Lady Art	Google Chrome	Example of Mechanism III

24	Website	Foundation Haute Horlogerie	Cartier, Partner brand FHH – History	Google Chrome	Present Cartier
25	Website	Time Tide	History of the Must de Cartier Tank.	Google Chrome	Present Cartier

Secondary data endnotes

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